Development Strategy for Columbus Job Centers

Prepared for:
City of Columbus

Prepared by:
Bay Area Economics (BAE)
Lincoln Street Studios

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Introduction

The City of Columbus along with regional economic development stakeholders, has embarked on a series of initiatives to reposition the mid-Ohio economy for 21st century growth. Through efforts including the City of Columbus's 21st Century Growth Team process, 315 Technology Corridor study, the Mid-Ohio Planning Commission's Regional Connections process, and other related initiatives, central Ohio is seeking ways to collaboratively strengthen the area's economy and land use patterns..

As part of this process, the City's Department of Development has commissioned this Development Strategy for Job Centers. The Strategy's goal is to identify and evaluate suitable sites and zones for job growth within the City and/or in partnership with its neighboring communities, in order to target job creation and accommodate a range of employers[1].

The City faces several simultaneous challenges, including maintaining a citywide competitive position with respect to economic development, strengthening its fiscal base to further take advantage of its personal income tax, identifying sites suitable for 21st century commercial users, and implementing several target industry initiatives "on the ground" in partnership with neighboring communities. To accomplish the City's objectives, the Development Strategy for Job Centers has been divided into phases as follows:

- **Phase I: Summary of Economic Trends –** This phase summarized other studies and incorporated updated economic trend data in order to identify key target industry clusters. This phase also provided a market overview of office and industrial markets by subarea for the City of Columbus and identified the fiscal impacts of employment changes. The data and analysis from this Phase is included in this report as an Appendix.

- **Phase II: Underutilized Land, Site Analysis, and Development Strategy –** This phase profiled the use of land within 75 job centers, selected several examples of underutilized sites for further analysis, matched these sites to target industries, and formulated prototypical schemes for future development to support job-generating uses. This phase also reviewed current job attraction and retention strategies used by the City of Columbus, and recommended refinements and additional strategies to orient the City toward maximum utilization of its land resources for job generation.

To obtain input from stakeholders, the City created an Advisory Committee comprised of local government staff and department directors, representatives of elected officials, and directors of non-profit organizations dedicated to economic development. A complete list of the Advisory Committee is provided in Appendix A.

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[1] It should be noted that this Development Strategy for Job Centers, while a comprehensive look at numerous potential sites for future job growth, is not structured to comprise the City's overall Economic Development Strategy. Managing available lands for development are a key piece of economic development, but not the only aspect of successful job attraction and retention. Other aspects of the City's policy and strategic direction, including job training, small business financial support, and collaborations with regional agencies, are beyond the scope of this study.

Summary of City of Columbus Economic Performance

The following summarizes a detailed analysis of the City of Columbus's economy during the 1990s and on through 2004, using never-before-published data to specifically examine the City as distinct from the Central Ohio region. Detailed data and discussion are included in Appendix B.

During the 1990s:

Central Ohio employment grew rapidly.

- Columbus Metropolitan Statistical Area (MSA) jobs increased 20 % for the decade
- Columbus MSA far outperformed job growth for the State of Ohio overall (up just 10% for the decade)
- Columbus MSA outperformed Indianapolis MSA (jobs up 17%) for the decade

Central Ohio region added jobs at a much faster rate than population.

- Columbus MSA population up 12% for the decade vs. 20% job growth

The City of Columbus continued to benefit from regional growth, but to a lesser extent than the previous decade.

- City grew by 50,200 new jobs during 1990s
- City captured 38% of new job growth during 1990s, a slightly lower rate than the previous decade (55% in 2000 compared with 58% in 1990).

These findings mean that although the Central Ohio regional economy grew during the 1990s, the City of Columbus had a slightly lower share of regional job growth, partly attributed to the continued geographic expansion of the region (e.g. sprawl).

From 2001 –to 2004:

The City of Columbus retained its jobs more successfully than rest of the region.

- The region lost 7,100 jobs from 2001 – 2004.
- City of Columbus lost just 2,800, while the rest of region lost 4,300 jobs for the period.
- Columbus did better during the down cycle than rest of the region.
- City's job losses were highest in business sectors impacted by national and state economic trends - manufacturing (down 8,600 jobs) and construction/real estate (down 2,000). These losses were offset by strong gains in business services, health/social services, and retail/dining/lodging.

These patterns suggest the role which the City of Columbus plays within the regional economy – a strong central city providing traditional core business services, entertainment, and health care.

Overview of City Job Creation Strategies

Existing Strategies and Projects

The City of Columbus devotes extensive resources to encouraging the creation of new jobs as well as the retention of existing jobs within City boundaries. Most of these initiatives are led by the Economic Development Division of the City's Department of Development, in concert with Planning and the Mayor's Office. Strategies in place include:

- **Marketing and promotion**, often in collaboration with regionally-focused non-profit organizations.
- **Tax-based incentives** including partial credits/abatements on real property taxes and income taxes. In some cases, these fiscal incentives are also coupled with City investment in infrastructure improvements to reduce development costs.
- **Inter-jurisdictional agreements** such as Joint Economic Development Districts (JEDD) to share tax revenues and invest in infrastructure.
- **Workforce training programs** administered primarily by the Columbus School District and local colleges and universities.
- **Neighborhood and district-based planning initiatives** to enhance zoning and related area land use regulations and target community development resources.
- **Economic trends analysis and reporting,** primarily occurring at the regional level.

Each of these strategies has evolved over time and in collaboration with other jurisdictions and stakeholder organizations, creating a web of initiatives. As often occurs in regions with a central large city and outlying separate suburban jurisdictions, the City of Columbus's economic development initiatives experience some overlap and tension with more regionally-based initiatives. For example, marketing and promotional efforts are spearheaded in large part by the Chamber of Commerce and affiliated organizations which have a more regional focus and membership. This organizational structure can mean that a location-seeking corporation comparing the central Ohio region with other regions across the country can be effectively targeted and served, but may result in inter-regional competition for that corporation, creating direct competition between area cities to offer the "best" incentive package to "win" the project. This same process, with strong competition between area jurisdictions to attract existing jobs from one locale to another, can mean churning in the economy, tax incentives which counter-act their intended purpose of increasing each jurisdiction's fiscal base, and a host of other unintended outcomes.

Current Economic Development Projects

As a result of its strategies for economic development, the City of Columbus has invested in an array of priority economic development projects, reflecting the proactive stance taken by the City to rejuvenate older commercial areas, generate new job growth, or expand the local economy. The following summarizes several of these projects:

- **Advanced Logistics Hub at Rickenbacker Airport**: The City of Columbus is working with the Columbus Regional Airport Authority, Norfolk Southern, and Duke Realty as master developer to create the Advanced Logistics Hub at Rickenbacker Airport. Anticipated long-term benefits include 9,500 direct jobs, 10,900 indirect jobs, $1.2 billion of building construction, $1.37 billion of investment in machinery and equipment, and $15.1 billion in economic impact. The City has also entered into a historic Joint Economic Development agreement in the area to attract $9 billion in private capital investment and help create more than 69,000 new jobs over the next 20 years.

- **Four Corners.** The City is continuing work with the Greater Linden Development Corporation to develop the "fourth corner" of the intersection at the Clarence Lumpkin Point of Pride complex. There is currently $20 million of new investment and approximately 400 people working at South Linden's new "village square," which replaced one of the City's most blighted neighborhood intersections.

- **Gowdy Field.** This office project is a successful public/private partnership to redevelop a former contaminated landfill site into commercial office space for Time Warner Cable. Located outside of the Central Business District, the new development is a partnership between the City and the Urban Growth Corporation, and created $20 million dollars in private investment. Time Warner Cable will retain 450 jobs and create 175 to 200 new jobs by 2008, generating over $550,000 per year in city income taxes. Once completed, the site will have 260,000 total square feet of commercial office space.

- **King-Lincoln District.** The King Lincoln District was once the heart of central Ohio's African American community, but fell upon tough economic times losing investment, population and hope. Today, the King-Lincoln District is rebounding with $30 million in new investment in seven major projects, including commercial and residential developments. The revitalization effort is focusing on the $10 million cornerstone project – the restoration of the historic Lincoln Theater by the City.

- **Northland Park.** Rehabilitating the former Northland regional retail mall site into mixed-use commercial retail development is being led by Urban Growth Corporation for the City. The former mall site contains approximately 40 developable acres. The City is currently investing over $20 million dollars in specific, strategic investment in the Northland neighborhood along Morse Road including streetscape and infrastructure improvements. The former Lazarus department store building has already been rehabbed into Class A office space.

- **Parsons Avenue.** The Greater Parsons Avenue Vision Plan established a neighborhood-based vision for the redevelopment of the south side corridor. Columbus Urban Growth, the City's nonprofit development partner, received City funding to purchase the former Schottenstein's store as well as surrounding parcels. This site is a cornerstone of the community's vision for economic redevelopment of "The Avenue."

- **315 Research and Technology Corridor.** The City is leading the effort to create this research and technology corridor, promoting greater collaboration among Corridor communities and partners, and investing in the fixed and "smart" capital assets of the area. The corridor is forecast to generate an additional 50,000 jobs over 20 years. A Master Plan and Business Plan were recently developed, which identified key Corridor resources and recommended over arching strategies as well as short- and long-term actions to help energize this job-generating economic engine.

- **West Edge Business Center.** This project, a new $60 million office/light industrial park located directly west of Downtown, will attract approximately 1,000 jobs upon completion. Its first tenants include Franklin County Children's Services, with 250 employees and trainees in a new 80,000 square foot administrative headquarters, Central Ohio Medical Textiles (COMTEX), a joint venture between Mt. Carmel Health Systems and Ohio Health with over 100 employees in a high-tech laundry facility; and Columbus Paper Box, a 120-year old specialty box manufacturer with approximately 25 employees., many of whom are Franklinton residents.

Each of these projects demonstrates the potential for new economic development within the City

The Role of the Central City in Economic Development

While this study can not resolve the tension between jurisdictions in central Ohio around economic development issues, it is important to note that contemporary regional economic development approaches are moving towards the concept that economies are regional in nature, but that areas within a region will differentiate according to their competitive strengths, so that all jurisdictions can be "winners." This means that the most successful collaborative regional marketing and promotional efforts around the U.S. work with the strengths of the region and its central city core, creating an intentional framework of strengthening the central city as the leading engine of economic growth. In general terms, this usually means that the built-out central city evolves as the financial, communications, service, and entertainment center of a region, and sets the tone of the region's competitive strengths on the national stage.

Examples of this type of core city/regional collaboration to foster economic development include:

- The Greater Denver Corporation (CDG) has focused on regional economic development since 1987. Recognizing downtown Denver as the region's "face to the nation", CDG has been instrumental in developing a new convention center and baseball stadium in the central city, as well as championing a massive light rail transit initiative anchored around downtown.

- In Portland Oregon area, the Regional Partners for Business are pursing an economic development strategy focused on the expansion of industry clusters and promotion of the area's "livability". This strategy recognizes the importance of a vibrant central city as a key competitive advantage, and has supported the growth of industry clusters such as bioscience in and around the central city.

- In St. Louis, the Regional Chamber and Growth Association has worked to revitalize the region's central city by promoting a plant and life sciences industry cluster in an urban corridor of St. Louis.

- The Greater Milwaukee Committee recognizes the central importance of the central business districts to regional growth. The organization's strategy calls for outreach efforts to central city businesses, with the idea of better connecting them to regional business attraction efforts.

Columbus has historically served as this traditional urban center for the central Ohio region. However, the region has grown over time to encompass a large land mass, and there are few constraints to increased sprawl and land development for job-creating uses. From an economic development perspective, each jurisdiction, including Columbus, has made more land available through zoning, annexation, and infrastructure, than the economy tends to require in a stable, slowly growing region.

In contrast to many other regions that have recognized this pattern and its negative consequences, Columbus and other local jurisdictions in central Ohio have used plentiful land resources over time as a key job attraction feature, with ever-increasing public initiatives to reduce the cost of land development and increase the availability of land resources, without a corresponding differentiation of "place" to function as a cohesively developed region. The local topography and extensive freeway network further serve to dilute differentiation of place, so that outside of downtown Columbus and locations near Ohio State University or a specific transportation feature, each jurisdiction ultimately can only differentiate itself by the last fraction of tax incentive to the location-seeking employer. Set against a backdrop of limited overall regional economic growth and an evolving national economy, these trends converge so that an unproductive series of "battles" over each relocating employer has ensured.

Economic Development and Smart Growth

One of the seminal works affecting economic development in recent years is *The Rise of the Creative Class* by Dr. Richard Florida[2]. Building on earlier work by Michael Porter related to competitive regions as well as many other leading economists, Dr. Florida's book first makes the assertion that the U.S. economy is specializing in knowledge-based industries, particularly as more commodities are manufactured in other developing nations. Dr. Florida identifies occupations which comprise the knowledge-based future economy, and dugs these occupations as "creatives." These include traditional scientific researchers, but also physical design disciplines (e.g., architects, graphic designers, web designers, etc.), along with supporting occupations such as attorneys, computer programmers, and venture capitalists. Dr. Florida's arguments, now widely held in the economic development field, point to creating urban places to attract these creatives and foster knowledge. He recommends modeling urban environments after the most successful "creative" locations, such as San Francisco, Austin, and Seattle. He concludes that these central city locations and the regions surrounding them offer a lively arts environment, a tolerance for non-traditional workplaces and lifestyles, and a general dynamism that attracts and encourages the creative spirit.

Many city planners, economic developers, and policy-makers have adopted strategies to fit this new paradigm, even as the specifics of Dr. Florida's arguments are debated. Among the urban strategists who have extended this theme is Bruce Katz, Vice President and Director of the Metropolitan Policy Program at the Brookings Institution. He has written and spoken to business and community leaders across the country, developing these links between economic development and "place[3]." He builds on

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[2] See: www.creativeclass.org

[3] *Transformative Investments: Unleashing the Potential of American Cities* (Bruce Katz, Brookings Institution,

several statistics which show that central cities gained population during the 1990s, particularly among the most dynamic economic regions, and that this urban resurgence is being fueled by young college-educated talent, immigrants from countries who culturally seek urbanity, and a concurrent trend of empty nesters moving back to the city.

These thinkers all agree that livable cities are key to the future of our national economy. The retention and attraction of "creatives" and knowledge workers using smart growth and placemaking is showcased by the leading economic development organization in *Economic Development and Smart Growth: Eight Case Studies On the Connections Between Smart Growth and Jobs, Wealth, and Quality of Life in Communities*[4].

This important report summarizes Smart Growth principles for economic development as follows:

1. Mix land uses
2. Use land efficiently
3. Create a range of safe, convenient, and affordable housing opportunities and choices
4. Create walkable neighborhoods
5. Foster distinctive, attractive communities with a strong sense of place
6. Preserve natural lands, farmland, and critical environmental areas
7. Strengthen and direct development toward existing communities
8. Provide a variety of transportation choices
9. Make development decisions predictable, fair, and cost-effective
10. Encourage community and stakeholder collaboration in development decisions

The report describes the connections between smart growth strategies and economic development, including a profile of the Arena District in Columbus as an example of these principles used effectively for economic development. The report highlights how communities, using smart growth principles, have also experienced economic development success in the form of increased tax revenue, more jobs, higher income levels, downtown revitalization, business growth and other economic indicators.

Recent Columbus Initiatives Linking Economic Development to Smart Growth

The City of Columbus, under the leadership of Mayor Michael B. Coleman and other active stakeholders, has continued to build on these themes, leveraging the City's economic development resources to improve Columbus's competitive position through placemaking and smart growth. For example, Mayor Coleman led a very successful initiative to revitalize downtown Columbus, with great progress towards once again placing downtown at the core of the City's economic development. Other initiatives stemming from the 21st Century Growth strategy have revisited and refined infrastructure financing toward a "pay as you grow approach." Still other initiatives currently underway have focused on evaluating and strengthening the use of fiscal resources by benchmarking investments in economic development by neighborhood. Finally, the lengthy set of current economic

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April 5, 2006).

[4] IEDC, August 2006.

development projects identified at the beginning of this chapter, including King-Lincoln, Gowdy Field, the Advanced Logistics Hub at Rickenbacker, and the 315 Technology Corridor as well as others, demonstrate the City’s commitment to economic development and revitalzation.

This Development Strategy for Job Centers further expands the City’s forward-thinking economic development process by evaluating economic trends and available land in order to manage these linked issues for job retention and attraction.

Job Center Development Potential

Overview of Job Center Sites

This study was commissioned with a concept of focusing job creation strategies on specific locations within the City of Columbus. City elected officials, and advisory groups identified a series of job sites and corridors to support Mayor Coleman's 21st Century Growth Team initiative in 2004, based on either the potential for new development opportunities (e.g., vacant land) or the sense that certain parcels or areas may be underutilized and could achieve greater job-generation capacity. The corridors include Neighborhood Commercial Revitalization areas (NCRs) with smaller parcels forming aging business districts, as well as vast tracts of land near freeways, airports, and railyards. The original set of job sites and corridors selected by the City for this study also included Downtown Columbus, but because Downtown has its own ongoing process to attract jobs, this study does not specifically consider the downtown area[5]. Excluding Downtown Columbus, the total land area encompassed by the sites identified by the City at the inception of this study totaled approximately 37,000 acres.

For this report, two types of analysis were conducted by BAE on the set of City-identified job sites and corridors in order to assess near-term development potential, and to provide a typology framework for further policy direction.

Analysis of Underutilized Land

Underutilized Land Based on Improvement-to-Land Ratio

The first analysis measures underutilization based on the market rate assessed value per County Auditor's records, of the buildings on each parcel compared to the land value (known as "improvement –to-land" ratio). According to economic theory, if the building improvements are worth at least as much or more than the underlying land, the parcel is demonstrating minimal ongoing investment. For those cases where the land is not improved (e.g., vacant), or the building's value is less than the underlying land value (I/L ratio of less than 1), this technique identifies the land as "underutilized." Parcels in this category represent locations with the potential for redevelopment to near-term higher economic uses.

As shown on Table 1, all parcels with Improvement-to-Land (I/L) ratios of less than 1.0 are summarized and shown as underutilized within the respective job sites and corridors.[6] An overview map depicting the location of each job site and the underutilized parcels within them is shown on the following page. As indicated by this summary table, approximately 22,400 acres of land within the Job Centers (excluding downtown) are underutilized. This finding represents approximately 60 percent of the total area of the combined job sites and corridors.

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[5] It should be noted that BAE did not further refine the original list of job sites and corridors provided by the City. Further refinement based on criteria establishing near-term priority sites for a Job Center program is certainly possible, and could be conducted either across the city, by typology introduced into this report, or according to other policy objectives.

[6] Includes vacant land and parcels for which there is no information or no value due to public right-of-way

Table 1: Underutilized Land by Job Center Location

Map ID	Job Site Name	Underutilized Acres (a)	Utilized Acres	Total Acres	Percent Underutilized (a)
1	Sinclair Road	11	31	42	27%
2	Lennox Town Center	0	35	35	0%
3	Dublin Road (Downtown to Marble Cliff)	34	67	101	33%
4	Northland Park	0	81	81	0%
5	York Country Club	131	0	131	100%
6	Rickenbacker	9,390	2,617	12,007	78%
7	Busch Boulevard	11	42	53	21%
8	Indianola Avenue Corridor	147	566	713	21%
9	Eastland (Hamilton Road between I-70 and I-270)	247	392	639	39%
10	Goudy Field	53	0	53	100%
11	Easton Area	674	477	1,151	59%
12	Fifth Avenue (Cassady to Hamilton Road)	86	268	354	24%
13	Graceland Shopping Center	0	54	54	0%
14	Columbus Coated Fabrics	0	12	12	0%
15	Jeffrey Site	25	0	25	99%
16	Doctors West	1	15	15	4%
17	Westland	38	64	102	37%
20	3rd/5th/King - West of Olentangy Road	29	93	122	24%
21	Crosswoods	62	143	204	30%
22	Brewery District	41	64	105	39%
23	Polaris	1,015	211	1,226	83%
24	Don Scott Field/SR 161	379	148	527	72%
25	Corr/Groveport Road (Norfolk Southern Railyards)	108	246	354	31%
26	Hartman Farms	2,125	0	2,126	100%
27	Marion Road (Parsons to Fairwood)	71	87	159	45%
28	I-670/Taylor Avenue	20	31	52	40%
29	Hilltop NCR Area	6	17	24	27%
30	Franklinton NCR Area	34	31	65	52%
31	Parsons Avenue NCR Area	18	31	48	37%
32	Livingston Avenue NCR Area	4	7	11	37%
33	East Main Street NCR Area	19	37	55	34%
34	Parsons Avenue (Near East) NCR Area	3	6	10	34%
35	Long Street NCR Area	6	5	11	52%
36	Mount Vernon Avenue NCR Area	4	12	15	24%
37	Short North NCR Area	18	25	42	42%
38	Old North Columbus NCR Area	2	6	8	26%
39	Cleveland Avenue NCR Area	43	50	93	47%
40	Alum Creek South/Consolidated Freight	241	665	905	27%
41	Mill Run	31	120	152	21%
42	SciTech	7	86	93	8%
43	Georgesville Road Corridor	198	356	553	36%
46	Buckeye Railyards/West Belt	483	1,616	2,099	23%
47	West Edge/Harmon Road	17	17	34	49%
48	Phillipi/Wilson	225	307	532	42%
49	Conrail/I-70	24	258	282	8%
50	McKinley Avenue NED	506	388	894	57%
51	Harmon Road NED	95	162	257	37%
52	Marion Road NED	149	171	319	47%
53	Holtzman-Main NED	28	63	91	31%
54	South Linden NED	556	617	1,173	47%
55	Lucent	269	299	568	47%
56	Alum Creek North	198	380	578	34%
57	Brice Tussing	156	461	617	25%
58	US33/Bixby	175	27	202	87%
59	Scioto Peninsula	73	39	112	65%
60	Sawmill/I270	130	283	414	32%
61	SR161	35	75	109	32%
62	Corporate Exchange	21	47	68	31%
63	I670 Corridor	252	191	443	57%
64	Port Columbus	1,889	213	2,102	90%
65	Hamilton/SR161	355	7	362	98%
66	West Albany	137	29	166	83%
67	OSU	421	1,029	1,450	29%
68	Riverside	4	64	69	7%
69	Tuttle	56	228	284	20%
70	Cleveland/Innis	26	113	138	18%
71	Bolton Field	726	125	852	85%
72	University Community Business Association	10	24	34	29%
73	South Campus Gateway	4	0	4	100%
74	US 33/Refugee Road	29	201	230	13%
75	Buckeye Steel	19	60	78	24%
	Total	**22,402**	**14,690**	**37,092**	**60%**

Notes:

a) Underutilized land is when the value of improvements (I) is less than the value of the land (L), so that the I to L ratio is less than 1.00. Based on assessed value per City Auditor's database. Underutilzed land also includes parcels where assessed value is either uknown (due to recent subdivision) OR not assessed due to public land or rights-of-way)

The preceding analysis shows that there are substantial opportunities to house job growth within the vacant or underutilized portions of the Job Centers. If the 22,400 vacant acres identified (excluding downtown) were developed to yield 7 employees per gross acre, about 157,000 new jobs could be accommodated within these sites. This potential yield of employees at a relatively low density per acre represents several decades of future employment growth in Columbus under today's pace of expansion.

Typology of Job Site

The second type of analysis was based on a windshield tour of all job sites and corridors, to identify the "typology" of the site based on its location, amenities, existing improvements, parcel configurations, and surrounding land uses. In addition, the status of each job site as part of completed area plans by the City of Columbus was considered.

Based on these criteria, each job site was characterized as one of the following types:

- **Strategic Support.** These sites have minimal underutilization and/or have existing private sector plans for new investment already in place. Specific strategies involving support to ensure targeted job attraction, but not involving new physical development concepts, are needed to generate maximum fiscal benefit to the City of Columbus.

  Examples of strategies to provide strategic support include marketing and promotion, access to special funds earmarked for certain industries, and technical assistance.

- **Commercial Revitalization/ Urban Infill.** These jobs sites contain both City's Neighborhood Commercial Revitalization areas (NCRs) as well as several larger job sites where much of the land is utilized but offers the need for careful infill planning and/or building rehabilitation for smaller businesses. In quantitative terms this means that either the total size of Urban Infill job sites is less than about 100 acres, or the percent of underutilized acres to total acres in several larger job site locations was less than 33 percent. Economic development strategies for physical development should carefully consider enhancing the overall job center, building on viable businesses and filling in on underused parcels to promote small and medium company job growth.

  Examples of ways to stimulate economic development include developing catalyst projects within these areas to demonstrate new investment. Loans for start-ups or expanding businesses with long term viability are also key.

- **Development Opportunities.** These larger jobs sites of more than 100 acres in total also demonstrate more than 1/3rd underutilization in terms of assessed value. These jobs sites, many of which have been previously occupied, typically contain outdated manufacturing facilities and vacated buildings, and may have needs for environmental remediation or upgraded infrastructure. In many of these jobs sites, potential for adaptive reuse of existing buildings may be present, while other structures have become obsolete and contemporary job-generating uses would require demolition and redevelopment. In other cases, the job sites represent areas with substantial vacant or near-vacant land on a large scale (e.g.

"greenfields"). Some of these are the sites also most likely to encounter near-term demand for conversion to residential uses.

Examples of job generating strategies for this category include site assembly, specific plans for upgraded infrastructure, and other public improvements to create large job-ready sites for 21st century economic uses. Where existing obsolete structures are present, many cities have taken advantage of obsolete manufacturing facilities to create entire new zones in old buildings, attracting tech workers to the historic or unique buildings that have been adaptively reused. Examples of incentives to promote job attraction to these sites include joint economic development agreements (JEDDs) or other inter-jurisdictional tax sharing to provide infrastructure, as well as targeted City investments tailored to the user.

Figure 1 and Table 2 on the following pages shows the Job Centers organized by this framework. It should be noted that this framework is also used to formulate specific economic development strategies matching the characteristics of each type of site (see Strategy chapter).

Figure 1: Job Centers by Type

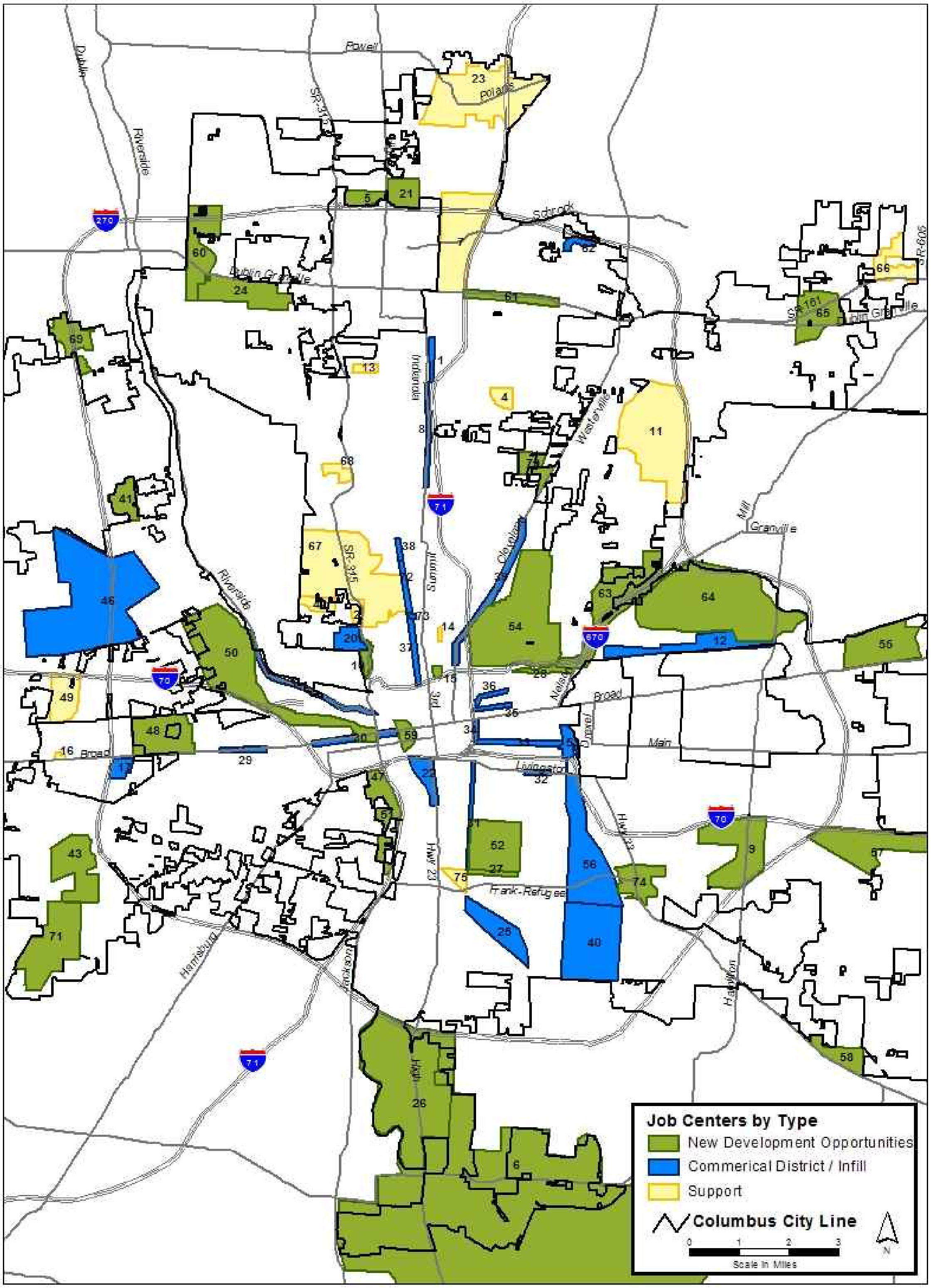


Table 2: Job Centers By Type

ID	Job Center Name	Underutilized Acres	Total Acres	Percent Underutilized (a)
	Commercial Revitalization/ Infill			
73	South Campus Gateway	4	4	100%
38	Old North Columbus NCR Area	2	8	26%
34	Parsons Avenue (Near East) NCR Area	3	10	34%
35	Long Street NCR Area	6	11	52%
32	Livingston Avenue NCR Area	4	11	37%
36	Mount Vernon Avenue NCR Area	4	15	24%
29	Hilltop NCR Area	6	24	27%
47	West Edge/Harmon Road	17	34	49%
72	University Community Business Association	10	34	29%
1	Sinclair Road	11	42	27%
37	Short North NCR Area	18	42	42%
31	Parsons Avenue NCR Area	18	48	37%
33	East Main Street NCR Area	19	55	34%
30	Franklinton NCR Area	34	65	52%
62	Corporate Exchange	21	68	31%
53	Holtzman-Main NED	28	91	31%
39	Cleveland Avenue NCR Area	43	93	47%
3	Dublin Road (Downtown to Marble Cliff)	34	101	33%
17	Westland	38	102	37%
22	Brewery District	41	105	39%
20	3rd/5th/King - West of Olentangy Road	29	122	24%
12	Fifth Avenue (Cassady to Hamilton Road)	86	354	24%
25	Corr/Groveport Road (Norfolk Southern Railyards)	108	354	31%
56	Alum Creek North	198	578	34%
8	Indianola Avenue Corridor	147	713	21%
40	Alum Creek South/Consolidated Freight	241	905	27%
46	Buckeye Railyards/West Belt	483	2.099	23%
Subtotal		**1.653**	**6.091**	27%
	Development/Redevelopment Opportunities			
74	US 33/Refugee Road	29	230	13%
70	Cleveland/Innis	26	138	18%
69	Tuttle	56	284	20%
41	Mill Run	31	152	21%
57	Brice Tussing	156	617	25%
21	Crosswoods	62	204	30%
61	SR161	35	109	32%
60	Sawmill/I-270	130	414	32%
43	Georgesville Road Corridor	198	553	36%
51	Harmon Road NED	95	257	37%

9	Eastland (Hamilton Road between I-70 and I-270)	247	639	39%
28	I-670/Taylor Avenue	20	52	40%
48	Phillipi/Wilson	225	532	42%
27	Marion Road (Parsons to Fairwood)	71	159	45%
52	Marion Road NED	149	319	47%
55	Lucent	269	568	47%
54	South Linden NED	556	1,173	47%
63	I-670 Corridor	252	443	57%
50	McKinley Avenue NED	506	894	57%
59	Scioto Peninsula	73	112	65%
24	Don Scott Field/SR 161	379	527	72%
6	Rickenbacker	9,390	12,007	78%
71	Bolton Field	726	852	85%
58	US33/Bixby	175	202	87%
64	Port Columbus	1,889	2,102	90%
65	Hamilton/SR161	355	362	98%
15	Jeffrey Site	25	25	99%
5	York Country Club	131	131	100%
26	Hartman Farms	2,125	2,126	100%
10	Goudy Field	53	53	100%
Subtotal		**18,436**	**26,236**	**70%**
	Strategic Support Due to Development Underway)			
14	Columbus Coated Fabrics	0	12	0%
75	Buckeye Steel	19	78	24%
16	Doctors West	1	15	4%
2	Lennox Town Center	0	35	0%
7	Busch Boulevard	11	53	21%
13	Graceland Shopping Center	0	54	0%
68	Riverside	4	69	7%
4	Northland Park	0	81	0%
42	SciTech	7	93	8%
66	West Albany	137	166	83%
49	Conrail/I-70	24	282	8%
11	Easton Area	674	1,151	59%
23	Polaris	1,015	1,226	83%
67	OSU	421	1,450	29%
Subtotal		**2,313**	**4,766**	**49%**

Selection of Sites for Prototype Design

In order to illustrate how the Job Centers can be matched to economic trends and use smart growth principals to attract new employment, this phase of the study focused on selecting five Job Centers and developing conceptual designs and approaches to implementation.

The specific sites were selected based on several criteria as follows:

- Near term potential to meet space demand from strong or emerging industry clusters
- Substantial vacant parcels, or limited number of landowners to minimize site assembly challenges
- Proximity to transportation (for people or goods movement)
- Variety of typology (e.g., urban infill, reuse/redevelopment, and new development opportunities).
- Ability to catalyze additional development and job attraction
- Ability to further an existing initiative such as the West. Broad Street Economic Development Study or the 315 Technology Corridor Study

Sites categorized as needing primarily strategic support rather than physical development, because their underused land was minimal or private investment is already well underway (e.g., Easton) were not selected for prototype design treatment.

The five sites selected included:

- **Bio-Science Village at 5th/3rd/King (Commercial District Revitalization/Infill).** This Job Center offers the potential to support emerging industries in the bio-science cluster, especially related to the talent and research associated with Ohio State University and Battelle. Cities around the U.S. are recognizing that scientific researchers are a key economic engine, and are remaking neighborhoods to offer housing, research space, and leisure activities in a mixed-use urban setting. Battelle has located an operating branch of its organization in just such an emerging neighborhood called South Lake Union in Seattle, WA. This concept is further explained in the 5th/3rd/King prototype in the following chapter. It should be noted that this site also offers the opportunity to link this study with the related 315 Technology Corridor initiative.

- **Live/Work at Hilltop (Commercial District Revitalization/Infill).** This Job Center, strategically located near downtown and public sector office space, as well a convenient to neighborhoods with substantial workforces, offers the opportunity to improve an historic "main street" urban pattern along a major arterial. This area has already been the focus of a recent City planning initiative (W. Broad Street Economic Development Study, 2006), and provides excellent opportunities for small professional offices and innovative new forms of live/work.

- **Start-Up Corridor on 5th Avenue (Development Opportunities).** This job site offers several key advantages to lower-cost space users seeking flexible industrial, assembly, artisan, and distribution facilities. It offers access to Port Columbus International Airport, as well as to nearby retail and lodging services. It borders on neighborhoods suffering from lack of commercial and residential investment, and a hodge-podge of low density job sites without a sense of identity.

- **Destination Retail at I-670/Taylor (Development Opportunity).** This site is strategically located along I-670 at Taylor, and currently contains a relatively modern building housing a to-be-vacated Veterans Administration hospital and clinic. Situated near growing urban residential neighborhoods, such as the King-Lincoln District, and also near clusters of home furnishings merchants on I-670 with a destination draw, this site offers a variety of retailing options capitalizing on freeway presence and visibility. Because Columbus has long been a test-bed for major retailers in a market research context, this site could also offer the opportunity for innovative, branded test-stores in a physical location.

- **Green Manufacturing Campus at Hartman Farms (Development Opportunity).** This job site, situated on environmentally sensitive yet beautiful land, offers amenities including large developable parcels, topography, and a strategic location between Rickenbaker and downtown Columbus. The canvas of undeveloped, challenging environmental lands offers the opportunity to demonstrate on-site new principals of "green building" and green manufacturing, which appeals to many business leaders seeking to reinvent their business practices and products for the 21^{st} century. This concept is also consistent with Mayor Coleman's Get Green Columbus initiative.

Each of these sites is profiled in more depth in the following chapter.

Underutilized Land Based on Job Densities

One of the striking aspects of Columbus's commercial land use patterns compared to some of its own suburbs, as well as compared to central cities within regions that have thriving economies, is the relatively low density of jobs per acre. This key concept, which is especially critical in an environment with a strong fiscal link to employee income tax revenues, directly illustrates the need to better plan and manage land resources for economic development and smart growth.

Table 3 below summarizes current overall employment densities in the City of Columbus (total employment divided by non-residentially zoned land parcels), as well as for the five prototype sites in their current conditions. This information was developed using the confidential employment data (firm-by-firm with location address) described in the Phase I report.

Table 3: Columbus Employment Densities

	Total Jobs (a)	**Total Non-Residential Acres (b)**	**Jobs per Non-Residential Acre**
City of Columbus	448,631	67,018	6.7
<u>Job Centers</u>			
5^{th}/ 3^{rd} / King	2,910	139	20.9
Hilltop	776	32	24.1
5th Avenue	1,547	395	3.9
I-670/Taylor	253	90	2.8
Hartman Farms	64	2,152	0.0

Notes:
a) Employment data from firm-by-firm database as reported to the Ohio Labor Market Information Division, for 3^{rd} quarter 2005. Analyzed by location using GIS.
b) Acres by area measured using GIS (ArcView)

Sources: City of Columbus Planning Division; Ohio Labor Market Info Classic; BAE 2006.

As shown, Columbus today averages just under seven employees per non-residential acre. This represents the culmination of several forces, including the large number of relatively low-density commercial areas within the City, the extent of warehousing and other low-density land uses, and the likely presence of equipment consuming large amounts of space in manufacturing and logistics settings.

To illustrate the fiscal benefits of improved job density to the City of Columbus, an example analysis of various development examples and their associated number of employees per acre and resulting income tax revenues to the City are included in Appendix C. The objective of this analysis is to illustrate how more efficient use of commercial land can strongly benefit the City over the long term.

This concept of measuring employees per acre, and in calibrating economic development incentives to increasing the yield per acre to achieve smart growth principals and better use scarce land resources, is emerging as a major tool. A few examples from across the country are listed below:

- In Seattle and other Puget Sound regional communities, a measure of employees per commercial acre has been integrated directly into city and regional incentives for developers. A goal of 50 employees per commercial acre of land has been established as the benchmark for designation as an "urban employment center." In these areas, design guidelines are relaxed, and transit investments are increased to further enhance transit use and attraction to the higher-yielding nodes of development. The South Lake Union neighborhood with Battelle, several prominent cancer research institutions, and burgeoning live/work and retail development rising out of former one story aging warehouses near downtown, has already exceeded this goal and is estimated to achieve more than 75 employees per acre by 2010, based on planned development (almost three times the average for downtown Columbus)

- Microsoft's new campus in Issaquah Highlands, outside of Seattle, covers 135 acres and houses 12,000 jobs, or almost 89 per acre.

- Target Corporation's headquarters office park, located near Minneapolis, covers 95 acres and includes 6,000 jobs, or over 63 per acre.

- The City of Akron has developed several business parks, including the Akron Square Business Park located on U.S. Route 224. Water, sanitary and storm sewer, electric, gas, and telephone services are currently in place and available for hookup. Interior access roads will be constructed to meet developers' construction schedule. Development parcels are available at $25,000 per acre. Incentive pricing is available for projects creating 20 or more jobs per acre.

It should be noted that job densities, while important within the fiscal structure of the City of Columbus, are not the only metric that should be considered in all economic development decisions. Some types of industries with large amounts of equipment or mechanized production employ few workers relative to their overall land utilization. These companies may be important to the local economy, yet not generate dense employment per acre. Additional metrics that could be considered in this context include how the subject company stimulates sales among local suppliers and service providers, the degree of innovation or synergy with other leading companies in Columbus, and other factors deemed important to the City's objectives.

Job Center Development Concepts

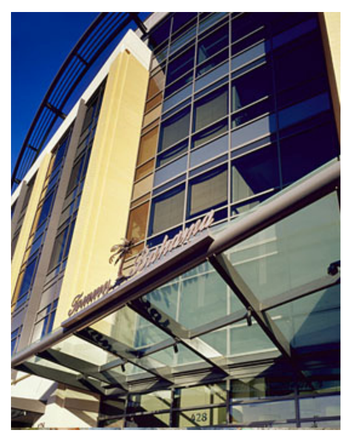
This chapter introduces an economic development and related physical design concept for each of the prototype Job Centers. In order to provide a detailed look at potential land uses, it should be noted that in most cases, just a portion of each Job Center location has been selected for the site plan; these schemes illustrate a catalyst project would jump-start the attraction of jobs to the larger Job Center.

Bio-Science Village at 5th/3rd/King

Concept

This site, located between Grandview Heights to the south and unincorporated Clinton Township, benefits greatly from proximity to Ohio State University, Battelle, and the emerging 315 Technology Corridor. Although currently characterized by a mix of underutilized parcels and industrial uses, it is located across from a planned redevelopment of the vacant Big Bear site in Grandview.

Building on one of Columbus's key industry clusters (see Appendix B), this concept seeks to capitalize on the opportunity to remake a small neighborhood into a lively mix of live/work lofts, scientific research space, and supporting retail uses to create a "Bio-Science Village" attractive to innovators working throughout the region. In essence, this idea is to take the Dublin Center for Innovation one step further, echoing the approach used in a neighborhood called South Lake Union in Seattle, near downtown Seattle. South Lake Union, also a mix of outdated low-rise industrial buildings and under-used parcels, is located near the University of Washington, a leading bio-science research campus. Working collaboratively, the City of Seattle, area residents, the University, and a leading private developer (Vulcan) have embarked on major revitalization of this neighborhood to create the ideal environment for advanced research. It is important to note that South Lake Union has already attracted a branch of Battelle, working on a variety of research projects with these stakeholders. Glimpses of the South Lake Union strategy are shown below, with more information available at: http://www.discoverslu.com.



Key to this concept is the idea that this is an intentional redevelopment of an area specifically envisioned to house people working in a life sciences or creative environment located nearby but not in a downtown area.

Prototype Design for Columbus Job Center

For this study, a portion of the 3rd/5th/King job center with especially underused characteristics was selected in order to design a prototype catalyst project that could be implemented in the next few years. As shown below, the work focused on the site between a rail spur to the north, Third Avenue to the south, the rail line to the east, and Edgehill Road to the west. At present, the northern portion of this site sits vacant most days of the year; the Buckeye Hall of Fame Café uses it as overflow parking for special events. Goodwill of Columbus uses a small portion of the lot on a regular basis. The Wasserstrom Group has assembled a set of parcels immediately south of this parking lot, along Third Avenue. These properties are leased out for various light industrial and wholesale/warehouse uses, and present an opportunity to create a higher and better use to promote job creation.

Portion of Job Site for Prototype

It should be noted that the portion of the job site selected for conceptual planning also offers an exciting opportunity to strategically cooperate with Grandview, which is concurrently considering redevelopment of the Big Bear site across the street from this prototype area.

The prototype design (see next page) demonstrates a catalyst mixed use project, with a strong urban village identity. The project would mix research and office space with ground floor cafes and urban lofts attractive to the demands of creatives for working, living, and relaxing in an interesting, exciting place. Key to this concept is mix of uses along the street edge. The two five-story labs, at the northwest and southeast corners, would have a strong urban design, with ground floor cafés or bookstores at the street edge to serve as gathering places. A large new parking garage located between the signature labs serves the whole area.

Just south of the lab on Edgehill, a three-story loft building with an open light well has two floors of housing over parking. On Third and Edgehill, another three story building is proposed, with ground floor retail and housing or offices above. Thirty-two "career lofts" fill the interior space of the site, with adjacent surface parking for customers and clients. The career loft product type blends residential loft living with ground floor flexible space that can serve as the office part of a unit (for customer interaction) or convert to a private home office or den.

Development Program

	Floorplate(s)	Floors	Total Sq. Ft	Housing Units	Parking Spaces
Site			**696,960 sq. ft.**		
Lab 1	32,900	5	164,500		
Retail	4,935				
Lab 2	64,180	5	320,900		
Retail	6,418				
Big Garage	80,585	6	483,510		806
Office Bldg- Office over Parking					
Office Floors 1-3	33,270	2	66,540		
Office Floor 4	24,953	1	24,953		
Office Floor 5	16,635	1	16,635		
Office Parking	33,270	1	33,270		55
Mix Bldg - Res over Parking/Retail					
Retail	24,400	1	24,400		
Retail Parking	13,600	1	13,600		23
Residential	38,000	4	152,000	144	
Career Lofts	19,463	3	120,000	32	
Surface Parking					212
Total			1,420,308		
FAR			2.04		

Sketch of 5th/3rd/King Prototype

Live/Work at Hilltop

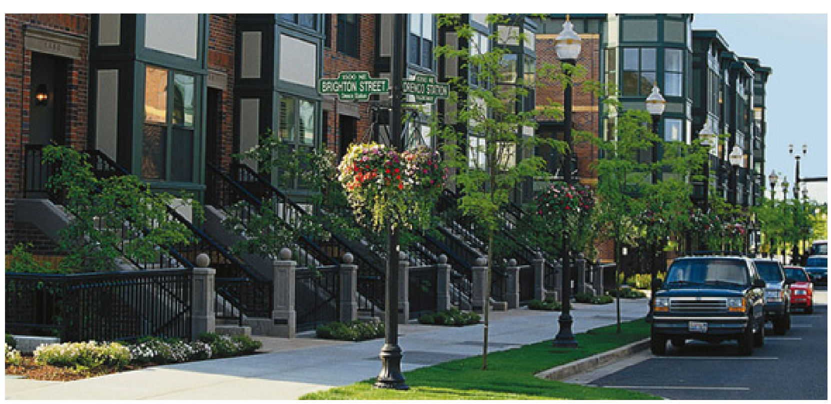
Concept

This Job Center encompasses the business district and Hilltop Neighborhood Commercial Revitalization (NCR) zone along West Broad Street, from Wayne to Highland. The area is part of the recent draft *West Broad Street Economic Development Strategy*, and features of an historic Main Street land use pattern near downtown Columbus and several major state office employment centers.

Main Street business districts with historic character, along with light rail transit services have become a major focus of many cities across the U.S. These business districts offer opportunities to revitalize and improve retail shopping options, as well as recapture the character of the urban development. These types of districts also often offer strong locations for smaller professional offices (e.g., legal and consulting firms), particularly those seeking a near-downtown location to serve public agencies (such as State of Ohio). Depending on the anchor retail tenants attracted to the revitalized locations, these types of Main Streets often also evolve along a food/restaurant theme, with specialty grocery stores or ethnic foods providing additional attractions.

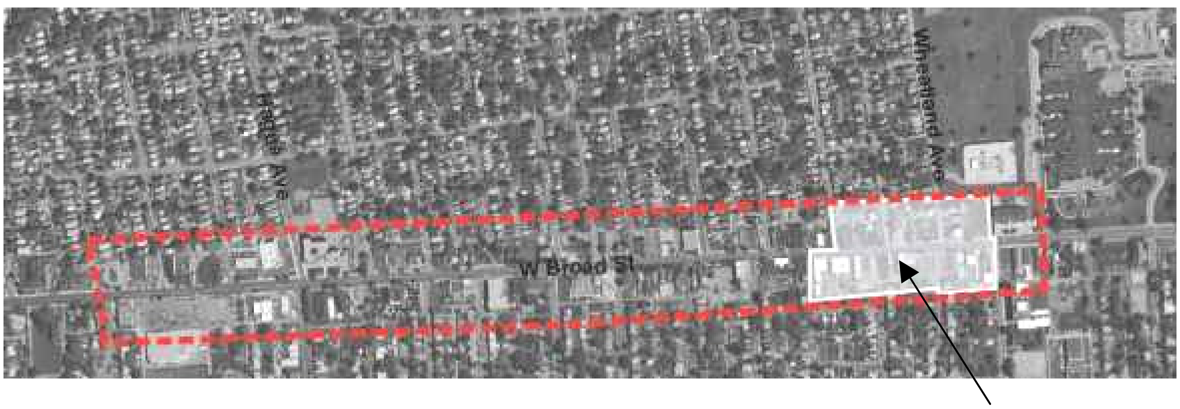
Pictured below are scenes from a Portland business district which formerly had experienced substantial disinvestment, but has been revitalized to offer these mixes of food/restaurants, and specialty retail serving a diverse urban neighborhood. Below also is an image of newly constructed at Orenco Station, a suburban transit-oriented development demonstrating many of these same urbanist principles on a more suburban setting with strong light rail transit service.





Prototype Design for Columbus Job Center
West Broad Street in this area reflects both the historic pattern of a Main Street business district, and subsequent cycles of declining investment. Land uses from Wayne to Highland Avenues along W. Broad include vacant lots, churches, bars, auto repair, and adult entertainment. One-way streets to the adjacent neighborhoods affect auto access/circulation.

For this Job Center, a portion of the entire site was selected to demonstrate how a “Main Street” type of Job Center could be revitalized into a lively mix of retail at ground level with offices above. The choice to focus on the easternmost end of the NCR District came from field observation, which indicated vacancy and turnover of uses, as well as undesirable uses ill fitted for the Urban Commercial Overlay (i.e. drive-thru liquor, used car sales and auto repair).



Portion for Prototype

Key to the conceptual plan are the following objectives:

- Reactivate “Main Street” with a mix of new mixed-use renovated buildings to preserve historic character
- Add new shared parking behind Broad Street frontage buildings
- Improve walkability through streetscape design and circulation improvements
- Provide a Gateway mini-park at Wheatland and Broad to encourage gathering, and provide a transition from large scale uses at the State Safety and Transportation buildings to the east

The largest new structure is a four-story building with a 25,000 square foot floorplate containing retail on the first floor with offices above, located between Highland and Wheatland. The office space could be developed as commercial condominiums, providing an ownership opportunity to small businesses. An additional 19,740 new square feet could be developed behind the buildings on the corner of Wheatland and Broad. Additional new square footage comes from two story infill construction fronting along Broad. More than half of the preserved existing space will require substantial rehabilitation to create attractive retail and office space. Depending on market conditions, the levels above ground floor in new or renovated buildings could also contain residential uses, or a mix of both office and live/work. A more detailed implementation strategy is recommended for this Job Center, including specific funding recommendations and phasing of City investments. Funding sources such as New Market Tax Credits and the City’s Urban Infrastructure Recovery Fund (UIRF) can be combined to catalyze several early projects.

Development Program

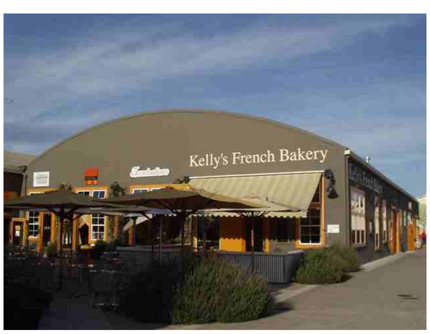
	Renovated Sq. Ft.	New Sq. Ft.	Total Sq. Ft.	Increase
North of Broad	37,026	30,150	67,176	45%
South of Broad	52,184	134,426	186,610	72%
Total	**89,210**	**164,576**	**253,786**	**65%**

Start Up Corridor on Fifth Avenue

Concept
Many cities around the country have found that a key part of economic development is to identify and assist the needs of small start-up businesses, especially those which fit targeted industries with existing competitive strengths. For Columbus, these types of businesses range from light manufacturing to assembly to high-tech engineering and food products. Columbus has a known innovation strength in retailing, with innovative entrepreneurs seeking locations to produce and sell their specialty items. Some of these businesses can benefit from the freight services offered by proximity to Port Columbus International Airport, especially those needing "just in time" delivery of sensitive or perishable goods. Most of these businesses also need low-cost, flexible space with the ability, and many can function well in renovated former warehouses or industrial spaces with creative adaptive reuse design.

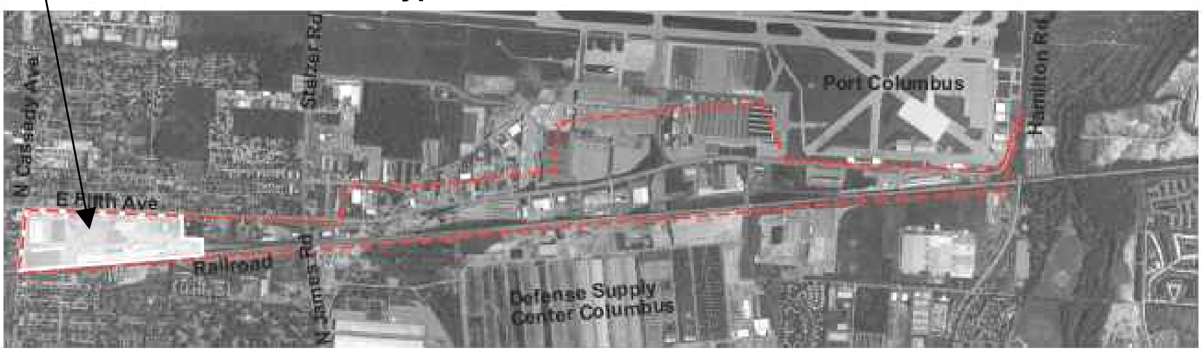
As an example of the type of development which can creatively serve a mix of small business start-ups with both a light industrial, office-based and even a retail component, the images below show a mixed use project in a former food processing and packing facility in Santa Cruz, California. This project, which has been creatively renovated, is located in a large industrial area near lower income residential neighborhoods. It has become both a daily workplace and a destination for shoppers seeking a boutique, unique character showcasing arts and specialty foods. A ground floor anchor tenant, the French Bakery, attracts many casual diners to relax in an outdoor plaza next to simple flex industrial spaces packaging specialty food products, as well as several walk-in retailers who assemble their furniture in adjacent spaces. Upstairs, a combination of design firms, a salon, and import/export firms work side by side.

The East Fifth Avenue Job Center site runs from Cassidy to Hamilton Road along East Fifth. This area has long suffered from disinvestment, heavy industrial uses, and blight, which all impact nearby residential neighborhoods. Yet, at the same time, the area offers excellent proximity to the airport and rail, while major arterials provide strong transportation access to other parts of the city and interstates. These features offer the opportunity to create an exiting new commercial/industrial district for start up companies, as detailed on the next page.



Prototype Development for Columbus Job Center
For this study, a subsection of the corridor was selected to design a prototype employment project. Running from Rarig Avenue to Cassidy, the subsection is dominated by Ralston Industries, which historically was home to a large steel works and railcar manufacturing complex (Rarig), and today operates a large industrial complex. The area is also notable because the commercial corridor and adjacent neighborhood developed around the historic Rarig/Ralston site to form a "company town," although current uses do not directly support the area's population.

Portion of Job Site for Prototype



This subsection was chosen because, according to auditor's records, it is almost entirely under Ralston's ownership, yet contains numerous vacant lost, partially occupied parcels, and an industrial complex with many tenants. The nearly-single ownership (just two parcels south of Knox Alley between Cassidy and Rarig Avenues are owned by others) makes this subsection a potential catalyst site with the opportunity for strengthening economic development opportunities.

The prototype concept proposes approximately 440,000 square feet of new flex space for start up companies, with a mix of floorplates for light industrial, office, retail, and commercial service uses. The concept also envisions relocating existing important neighborhood retailers into the new buildings. The development program shows several larger floorplate new structures for light assembly or flex space, which could be subdivided depending on market needs. With the opportunity for office frontage along Fifth, and truck access to manufacturing spaces along Fourth, these buildings could serve multiple functions. Additional logistical or light industrial uses would occupy the area south of Fourth.

Fitting more shallow lots to the east, development of "flex commercial" condos for a mix of uses such as office, assembly, commercial, and retail, could take advantage of some of the remaining frontage along Fifth, west of Morris. Space within units would also allow live/ work configurations for neighborhood residents, and could also be developed using Small Business Administration (SBA) financing.

All new buildings, including the logistics facilities behind the Fifth Avenue frontage, would be designed in contemporary form, highlighted with metal facades. The spaces fronting on Fifth Avenue could blend the use of masonry materials, storefront glazing systems, and brightly colored trim work, similar to the images shown on the preceding page. This development concept, reinforced with new signage and streetscape improvements, could create a commercial district distinct from any other in Central Ohio.

Development Program

	Sq.Ft.	Units
Flex Condos	48,000	7
Flex Office/Light Manufacturing	153,300	25
Retail/Office/Commercial	145,200	TBD
Warehouse/Logistics	90,600	3
Total	**437,100**	

Green R & D /Manufacturing Campus at Hartman Farms

Concept

Columbus has historically had a strong manufacturing sector, although recent data echoes national trends with declining employment in these basic industries. At the same time, a surge in industries such as bio-sciences, sustainable agriculture and life sciences, nano-technology, and related technology research and development all have strong connections to central Ohio's competitive assets (e.g., Ohio State University, Battelle, major health care providers, and medical products distributors).

In other areas of the U.S., efforts to attract these technology industries, both in the R & D phases and in later production phases, have led to development of city-owned or university owned business parks. In Columbus, the Sci-Tech campus at Ohio State, as well as the emerging 315 Technology Corridor, reflect this trend. While those locations each have a specific mission and plan, and the proposed Bio-ScienceVillage in this report adds an urban neighborhood dimension to the inventory, the region lacks space to use for larger scale research and manufacturing.

Another important trend in manufacturing, as the U.S. specializes in technologies that require highly skilled workers, is the advent of "green" building principles and "green" manufacturing approaches. A leader in this effort has been Ford, which is revamping its historic Rouge River factory complex into a model of "green" building and manufacturing principles. Incorporating concepts such as a grass roof on its truck plant, the complex has made international headlines under the leadership of current corporate officers.

Following a related theme, the makers of "green" products are also re-establishing manufacturing in the U.S. For example, in 2005, Toyota sought a new location in order to build a hybrid version of its popular Camry model, and conducted an international search for sites including in California and Canada. Toyota selected an existing plant in Georgetown, KY to make these 48,000 vehicles, adding 7,000 new jobs to the local economy.

Prototype Development for Columbus Job Center

The Hartman Farms site, a key Job Center, presents numerous development opportunities and constraints. This scenic site encompasses 2,125 acres of rolling topography under a single ownership. It is located adjacent to I-270 and US 23, and between the Rickenbacker Intermodal Facility (slated for substantial industrial and logistics development) and central Columbus. With its large scale, beautiful farmland, views to the Scioto River, and some of the most hilly topography in the region, Hartman Farms has long been considered as potentially among the most premier sites in Central Ohio for both major employment and housing.

However, the site presents numerous environmental and development challenges. Current, financially viable sand and gravel extraction occurring elsewhere on the site both limits the range of compatible uses, and limits the amount of developable land in the near-term future. In addition, approximately 1,000 of its total acreage falls within one of Columbus's Wellfield Protection areas, due to its location on a major aquifer, which may limit traditional manufacturing. An additional flooplain zoning overlay related to the Scioto River limits chemical uses for other portions of the site, requiring extremely sensitive preservation.

To meet these challenges and realize the opportunities of developing a Job Center according to sustainable principles, this study explored a premier employment center concept on a portion of the site, tied to emerging technologies in a scenic setting. The concept would develop a portion of the site as a "green" campus-style technology campus, to create a "habitat" for innovation while also demonstrating Columbus's commitment to these principles. All by products of the research and manufacturing technologies would need to be controlled; this visionary concept would immediately tie Columbus to a resource-sensitive realm of 21st Century manufacturers and corporate goals, while presenting numerous opportunities for partnerships with organizations exploring these knowledge-economy goals.

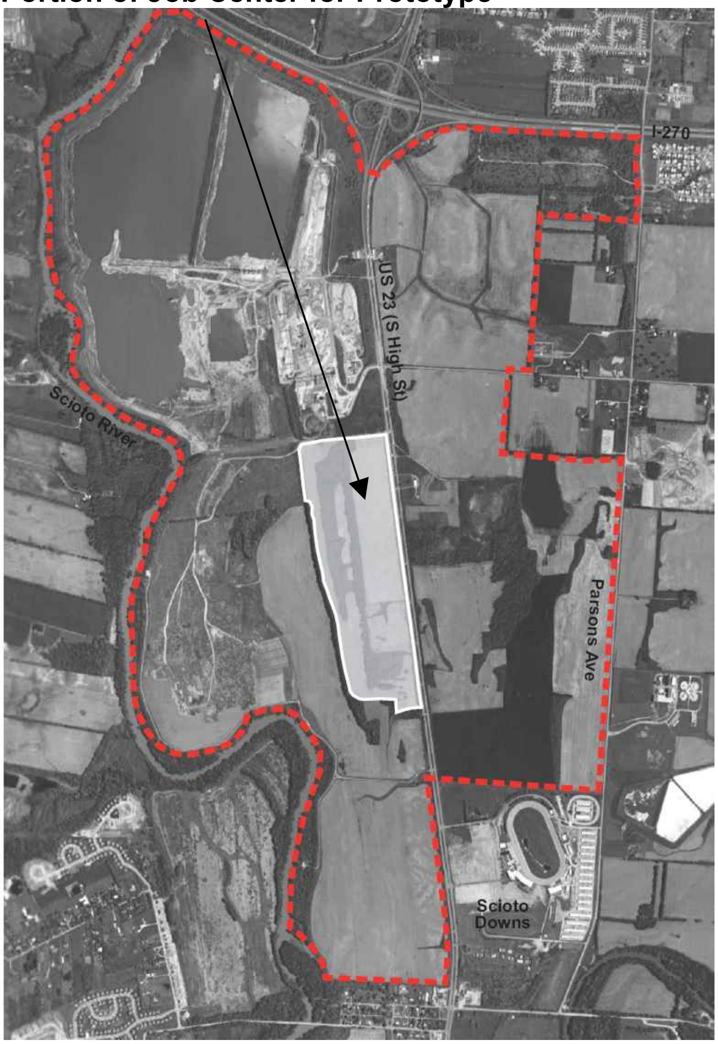
Specifically, the campus could fill a range of target industry needs and economic functions. For example, in addition to large floorplate "green" manufacturing, the Hartman Farms could be suitable for outdoor and/or greenhouse agricultural research, carrying on the tradition of agriculture into the 21st century. With options for actual production of sustainable or organic agriculture, the possibilities of an onsite "living laboratory," as well as processing, fermentation, warehouse, or other supporting facilities would further complement this theme.

Access to the emerging intermodal facilities at Rickenbacker further support the attractiveness of the concept. The location allows for "just in time" shipping by air, with dedicated freight service providers and other logistics intermediaries nearby.

To select a portion of the large, scenic, and environmentally sensitive site, current zoning constraints were assessed. Much of the land on the east side of US 23 is designated for commercial and residential designations. The northernmost section has a manufacturing designation, but sits in a floodplain (as identified on a map provided by the city). There are two long strips of manufacturing and limited manufacturing on the west side of US 23, following the landform that sits just above the Scioto River floodplain. Thus, the portion of the overall Job Center site selected for prototype design is located the farthest distance from the Columbus well (without going into the floodplain).

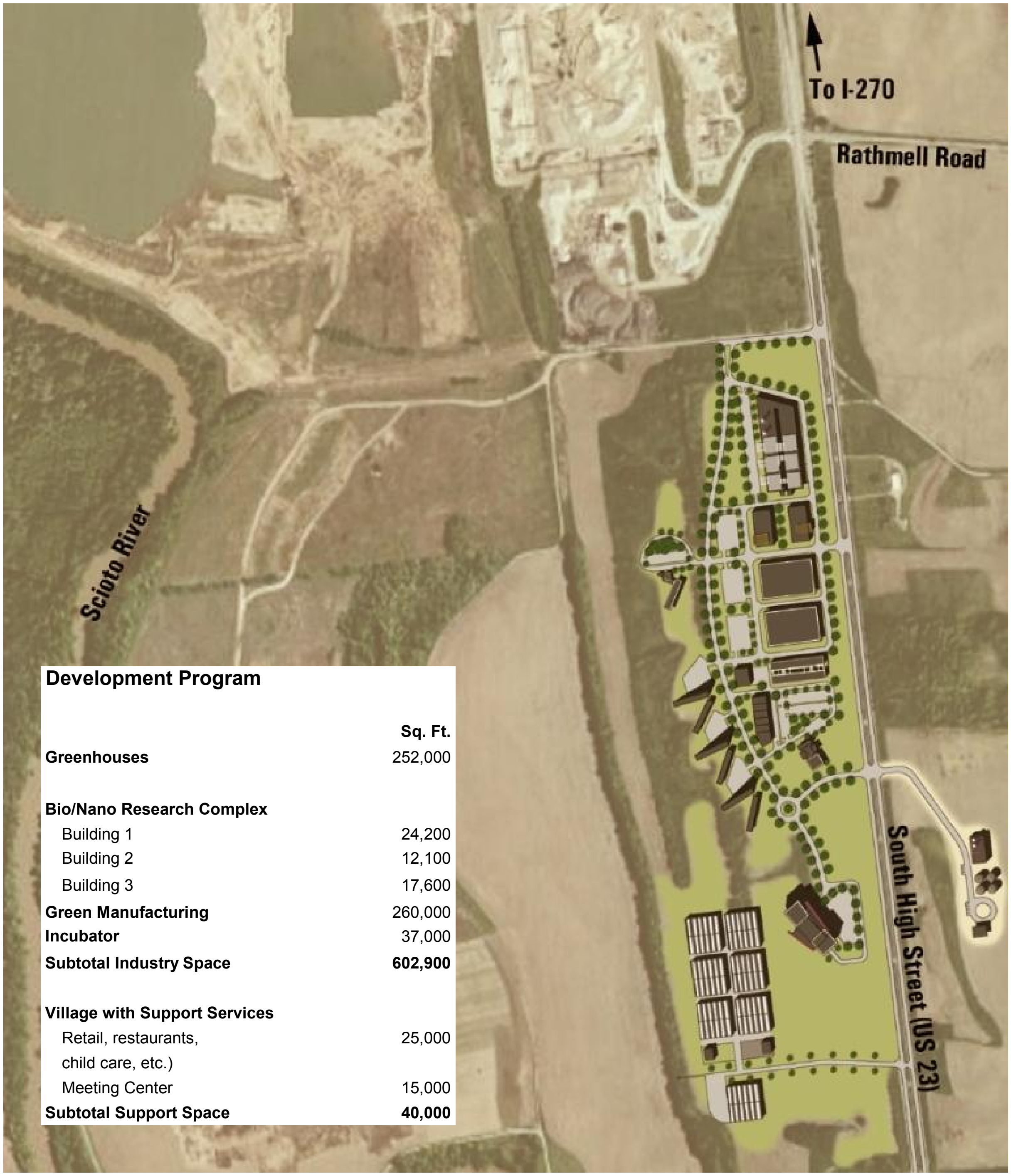
Nonetheless, it should be noted that the portion selected sits within the Columbus Wellfield Protection overlay, near areas with high groundwater pollution potential (as identified by MORPC), resulting in with limitations on chemical and vehicle use.

Portion of Job Center for Prototype



To support both the R & D/manufacturing and sustainable agriculture employment functions, Hartman Farms would contain a Village Center, where housing, shops, entertainment, and services could be provided. Many key R & D facilities are evolving along these same lines, with a live/work/play environment fostering informal scientific collaboration and networking. Partnerships could be formed with The Ohio State University and Battelle, providing faculty, researchers, and affiliates with a "green lifestyle" gaining popularity around the country. Campus and Village site planning and architectural character should emphasize the natural qualities of the site. New construction should be multiple floors, to preserve as much of the land as possible. Architecturally unique and functionally useful facilities, utilizing a modern vocabulary of building materials and design features. Structural elements, building facade materials, mechanical systems and other building components would echo the natural environment, and landscaping would blend natural grasses with low-impact drainage systems. The resulting mix of modern architectural elements and building materials with old, agricultural use fence lines, natural drainage swales and thickets of trees will establish a memorable identity for the campus.

A major component of both the campus / village site plan and architectural design would be to employ the standards of The American Green Building Council. Each building and the entire campus should be LEED Certified. Following the rigors of the point score system employed to obtain LEED (Leadership in Energy and Environmental Design) Certification will ensure that the construction process for all structures would be "clean," as well as the buildings themselves.



Development Program

	Sq. Ft.
Greenhouses	252,000
Bio/Nano Research Complex	
Building 1	24,200
Building 2	12,100
Building 3	17,600
Green Manufacturing	260,000
Incubator	37,000
Subtotal Industry Space	**602,900**
Village with Support Services	
Retail, restaurants, child care, etc.)	25,000
Meeting Center	15,000
Subtotal Support Space	**40,000**

Sketch of Hartman Farms Green Manufacturing Campus

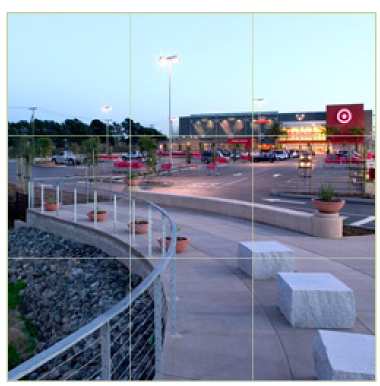
Destination Retail at I-670/Taylor

Concept

One of the strong industry clusters in Columbus, identified in Phase 1 analysis for this study (see Appendix B), is the Entertainment/Dining/Lodging/Retail cluster. Columbus has a long history of excellence in fostering new retailing concepts, and is home to the headquarters of major retailers such as Limited and Schottenstein's. The City is also the center of entertainment for the region, with major venues for concerts, sports, theater, and conventions.

This industry cluster, with an estimated total employment of almost 96,000 workers in 2004, represents one-fifth of all employment in the City. Moreover, although retail employment tends to be relatively low density on a jobs per square foot basis, it is nevertheless higher than employment densities found in logistics, warehousing, and many types of manufacturing.

Among the sites considered for this study, the site at I-670 and Taylor (location of the closing VA medical clinic) offered a significant opportunity to address retail employment with an innovative approach. This site offers the strong advantage of freeway visibility along heavily-traveled I-670, as well as close proximity to a mix of neighborhoods with a range of demographics. Finally, the area near this site has already developed as a destination draw to home improvement shoppers attracted to Carr Supply and Hamilton Parker Tile, both located at Leonard and I-670. However, the site is constrained by limited direct access (requiring a bold destination statement) and a narrow rectangular shape which constrains the typical big box format (single story, surface parking). To capitalize on these opportunities, this study looked for examples of destination retail complexes around the country with similar characteristics. An example which echoes the site's characteristics is a two-story urban style "big box" surrounded by other smaller shops on separate pads. Shown below is this type of example, a two-story Target store with 190,000 square feet developed next to a major interstate in the central San Francisco Bay Area. Separate pads containing a PetSmart and auto parts store are nearby. Another example is IKEA, an acclaimed large format furniture retailer with a regional attraction profile[7]. At IKEA Atlanta Station, the store features a two-story format built on 15 acres over two levels of structured parking. Both the Target and IKEA examples uses a specially designed shopping cart escalator to transport between levels.



[7] Although just prior to publication of this report, IKEA announced a southwestern Ohio site selection for its first Ohio store, it is provided as an example of potential future users of sites in Columbus.

Prototype Development of Columbus Job Center

With the relocation of the VA Clinic to the Defense Supply Center Columbus (DSCC), this Job Center site offers the opportunity to re-envision its use[8]. Much of the land along the I-670 corridor in this site remains zoned for manufacturing, a legacy of past land use in what was primarily a rail corridor. The southwest corner of Taylor and Leonard Avenues, the current site of the VA Clinic, is zoned Commercial Planned Development (CPD), and the adjacent parcel to the west is zoned for limited industrial and office (M2). These two parcels were selected to further develop as a prototype.

The primary constraint for the site comes from the adjacent uses, with the Mt. Vernon Neighborhood located immediately to the south. Access and neighborhood impacts need to be carefully planned.

Portion of Job Center for Prototype

In order to reuse the I-670/Taylor site, the existing VA Clinic could be demolished and the site completely redeveloped in one of several forms of destination retail or entertainment. However, for this prototype, the design team took a different approach, adapting the existing building to fit within an enlarged retail complex. Working with the 155,400 square foot, three-story clinic building, the prototype envisions adapting it to a Galleria-style complex, with its middle level providing access to an additional 72,250 square feet of new retail space proposed in four new buildings. The concept embraces the trend for big box retailers to open multiple floor stores in urban areas where high visibility and excellent access exist on relatively small parcels. The prime tenant serves as an anchor for an array of smaller retail shops clustered within easy walking distance.

Though deviating from the original corridor plan in land use, this retail concept still meets the development goals to: create a positive city image, increase jobs and tax revenues, generate private investment in the corridor, improve corridor neighborhoods, aid in redevelopment, and aid in the elimination of incompatible land uses.

The site is extraordinarily well located to shoppers and visitors. Neighborhoods to the north of I-670

[8] Just prior to publication of this report, OSU purchased this site for medical uses. Nevertheless, the concept of reusing this structure at this site as destination retail was retained in the report as a prototype of potential creative land use.

have direct access via Joyce Avenue at the west end of the site (where new shops would be built) and via Maryland Avenue and Sunbury Road at the east. Joyce Avenue continues south from the bridge over I-670, providing connection at Mount Vernon with the Champion and Ohio Avenue one-way pairs; Joyce and Taylor Avenues connect the site to the central Columbus neighborhoods between East Broad Street and Leonard Avenue.

To make a bold statement and attract regional shoppers, the design converts the three-floor clinic building to an urban-retail galleria space for a single retail tenant, with floors connected by a central sky-lighted galleria space filled with banks of escalators and plants. The third floor lends itself to food court or restaurant seating (present in both Target and IKEA), with views to downtown Columbus and the Port Columbus flight path. The mid-level of the three floor clinic building is located approximately at the grade level of the vacant site area to the west.

Parking for the clinic is located on grade at the southwest corner of Leonard and Taylor Avenues, which the design retains as the primary parking lot. The main entry remains off the main parking lot. The bank of escalators would lead up, through the existing building to the new west entry, at the second level, and the new retail space.

The design includes construction of four new retail buildings of increasing size, moving from the west toward the Galleria building. The smallest of these buildings could serve as a single tenant building. High ceilings provide flexible storage and display space, while also adding the possibility for mezzanine level offices to optimize the square footage available for retailing. Approximately 200 parking spaces ring the new buildings, though vehicular access to the adjacent neighborhood to the south is maintained.

The design concept includes extension of the Galleria sky dome across the drive between the existing and new buildings to connect with a stair and elevator tower, simultaneously providing a vertical element and access to all levels of the three-floor Galleria building. This would also enhance the already-available freeway visibility.

A linear marquee or electronic banner is envisioned at the roof level; which would lend extraordinary visual identity, whether focused on retail offerings at the site, or for posting various community events. Creative lighting techniques could also add to the site's retail visibility and the distinctive image on entry to the City of Columbus.

Development Program

	Sq. Ft.
New Building 1	4,250
New Building 2	7,600
New Building 3	27,600
New Building 4	32,800
Reuse of VA Building	155,400
Total	**227,650**

Job Center Development Strategies

This chapter recommends a series of strategies to encourage the retention, expansion, and attraction of jobs to the Job Centers analyzed in this report. Each recommendation includes a summary of current strategies to provide the context for the recommended strategy. A more detailed description of current tools and strategies utilized by the City is found in Appendix E.

Strategy #1: Designate Job Centers

Current Strategies

This study builds on many current city and regional economic development initiatives by examining land supply in certain locations and exploring potential development concepts to attract jobs and reposition Columbus as the core economic engine in the region.

While this study commenced with a list of job centers provided by City staff to the consultant, it analyzes the sites to measure underutilization and employment density. This study also provides a framework for categorizing commercial sites, and encourages placemaking through smart growth principles.

At the same time, market forces have placed pressure on certain parcels to convert from commercial/industrial uses or designations to residential development. This trend is occurring across the U.S. as office and industrial demand remains “soft” relative to a historically strong housing market (albeit also softening as this report was finalized).

Market cycles will influence development of land over time, and to varying degrees. Because the City of Columbus derives more than half of its fiscal revenues from employee income taxes, however, the health and vitality of the City depends on retaining and attracting employment-generating development.

Recommendations

It is recommended that the City of Columbus designate priority Job Centers locations. Specifically, the following steps are recommended:

- **Refine Job Center Site Criteria.** The Job Center list of sites was provided to the consultant, and as such, was not developed using specific criteria or matched to specific target industries. This step encourages refining the criteria used to identify Job Centers. It should be noted that these criteria are not intended to exclude residential development, but rather to encourage a mix of employment-generating and residential uses to ensure job creation within Job Centers. The criteria should including the following:
    - Existing NCRs and NIDs
    - Existing job-generating-zoned parcels within ½ mile of major freeway ramps, multimodal rail/airport facilities, and future transit nodes
    - Existing job-generating-zoned parcels along major arterials which traverse the City north/south or east/west

- **Conduct Fiscal Impact Analysis If Considering Rezoning of Job Centers to Residential-Only Development.** Since the City depends on maintaining sufficient land supply to attract and retain jobs and generate fiscal revenues, this step recommends adopting a policy of preparing a fiscal impact analysis of any proposed rezoning of Job Center land to residential-only uses. A fiscal impact analysis is a tool to assess the revenues and service costs from a municipality's perspective, with the goal of achieving the maximum positive net revenue from a particular project (e.g., greater revenues than service costs on an ongoing basis). Since the tax structure of the City of Columbus means that most residential-only development will bring a lower net fiscal benefit than either mixed use or employment-generating only uses, this tool will enable decision-makers to quantify the potential losses from rezoning to residential-only on a fiscal basis to the City. Policy-makers will need to consider these trade-offs.

  If this tool is combined with a job-density goal in Job Center zones, this would result in a minimum requirement for X jobs per acre or X tax revenue per acre, with residential allowed, provided these criteria are met.

Strategy #2: Target Tax Incentives

Current Strategies
Many cities across the U.S. have targeted their financial incentives to either a specific list of target industries (e.g., high wage, or more specifically to certain proscribed industry clusters such as bio-science), or to specific zones within the city (e.g., redevelopment areas, enterprise zones, etc.).

Currently, tax incentives offered by the City often compete directly with surrounding jurisdictions for individual new or potentially relocating employers already in the City. These incentives, generally property tax abatements and income tax credits, create a marginal dollar competition environment, pitting suburbs against Columbus, and consuming staff resources to implement. While this study identified this tension, it did not seek to resolve all impacts of it. Rather, in general, this study seeks to identify the reasons why Columbus can not always "offer the most competitive deal" and underscore that this deal-by-deal competition may not be the ideal approach, especially for those employers with other types of decision-making criteria or needs best served inside the city limits.

The City of Columbus has begun to improve its targeting of tax incentives, with the advent of both downtown and specific large employer refinements to the City's toolkit. Thus, this recommendation seeks to expand on incentive targeting, with further refinements to target competitive tax incentives in cases of special importance.

Recommendation
It is recommended that the City of Columbus refine its tax incentives specifically tailored to the functions of retention and expansion of existing employers, and separately to the attraction of employers to the City from outside. Incentives could be organized as follows:

- **Incentives for High Wage Jobs.** Tax incentives could be offered in tiers of benefit, with the highest tier (e.g., most beneficial) available to high wage jobs over a certain dollar amount.

- **Incentives for Targeted Industries.** Tax incentives could also be structured to benefit specific targeted industries such as those tied to the 315 Technology Corridor initiative (e.g., health care, bio-science, related technological industries).

- **Incentives for Targeted Job Centers (Geographic Areas).** Tax incentives could be focused on geographic areas, targeting the highest tier of benefits to specially designated Job Centers based on a more narrowly defined list than the sites analyzed in this report. These incentives could be further limited to only those projects which provide a certain job density, such as a minimum of 200 jobs per acre or more. The City may wish to exclude certain land uses from this threshold, such as those devoted to logistics or other equipment/technology-related industries with low job counts but other importance to the City's overall economic vitality.

Further legal research may be needed to determine the feasibility of these targeting approaches.

It should also be noted that since income tax is so important to the City's fiscal health, and overall job densities analyzed for this report are relatively low outside of downtown, these two concepts indicate the need for better land utilization and increased job densities. Thus, as the City of Akron demonstrates in its own business park ventures, the tax incentive program could include a "bonus" for each job above a certain threshold of density, to encourage this densification process. This idea is further described later in this chapter (see Set Job Density Goals).

Strategy #3: Expand Inter-Jurisdictional Cooperation

Current Strategies
The Joint Economic Development District (JEDD), currently being finalized for the Rickenbacker project, as well as a similar agreement with the Village of New Albany[9] offer an excellent resource and tool for the City of Columbus to work with other jurisdictions at the City's edges. These special agreements, as well as other forms of cooperation such as Community Economic Development Agreements (CEDAs), New Community Authorities, Tax Increment Financing (TIF) districts, and Development Agreements can leverage infrastructure funding and eventual positive tax revenues from job growth into cooperative inter-governmental partnerships.

It should be noted that these mechanism are not well suited for many of the categories of underutilized land within City boundaries identified in this report. Moreover, criteria for cases where inter-jurisdictional agreements are appropriate from the City's perspective have not yet been established.

Recommendation
For the City of Columbus, the following approach is recommended:

- **Short Term** – For those cross-jurisdictional agreements with tax sharing opportunities, establish City criteria for agreement participation, such as X dollars of cost for infrastructure, Y jobs gained, and/or Z tax revenue. Limit use of these inter-jurisdictional agreements to large-scale

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[9] The agreement with New Albany is not a JEDD.

projects crossing jurisdictional boundaries, with clear benefits to the City of Columbus.

In addition, the City should continue to negotiate non-compete agreements with partner jurisdictions throughout Central Ohio to ensure that all communities work from the same playing field relative to economic competition. Such agreements seek to discourage "job poaching" between neighbors by providing consistent economic incentives across political boundaries, thereby precluding businesses from playing one community off another to get the most lucrative incentive. The result should be rational site selection decisions regardless of economic incentives and a stronger regional economy that benefits all local jurisdictions.

- **Longer Term** - Explore linking inter-jurisdictional agreements or other cooperative arrangements such as "pay as we grow" partnerships with private developers. Specifically, this means that if a JEDD involves City investment in infrastructure, in exchange for revenue-sharing with a neighboring jurisdiction, the structure should also account for payments by private developers benefiting from the agreement. These may need to be structured as future payments/repayments for bond issues or other forms of repayment or contribution by private developers in future years, above and beyond the actual property and income tax revenues shared between jurisdictions.

Strategy #4: Plan and Assemble Sites for Demonstration Projects

Current Strategies
At present, the City of Columbus does not have an overarching Economic Development Strategy, nor does the City have a framework to extend area plans to specific economic development implementation mechanisms. City fiscal vitality depends on job growth and income tax revenues, yet this critical factor is not integrated directly into other city initiatives.

The City has followed this approach through its Urban Growth Development Corporation for several key economic development sites. However, this recommendation seeks to expand this activity further, with a full program to pro-actively assemble property, engage a developer, and create a specific project in partnership for economic development purposes. This approach was taken by the City of Dublin, resulting in a planned business/technology park owned by the city, ready to go when the opportunity to capture an OSU technology initiative arose. This approach is common in many other parts of the country, especially in cases where redevelopment is directed towards blighted or depressed locations.

The topic of linking land use and economic development to implementation is quite broad, and depends directly on state and local enabling legislation. However, it should be noted that in some states, planning for specific areas has moved to a very defined implementation approach, with the strategy for paying for major infrastructure improvements or land assembly/land write-down spelled out within the plan. In other cases, where the "look and feel" of an area requires upgrading but market demand otherwise is stimulating uses in synch with policies, performance zoning codes are gaining in favor. The performance zoning approach creates a land development envelope, with the flexibility of use left to the property owner, but the overall functionality and objectives of the site or area encoded into the ordinance.

Recommendation
In an effort to jump-start the focus on Job Centers, this report recommends a near-term approach of creating one or two very detailed Job Center demonstration plans in concert with property owners, followed with an implementation program involving site assembly and partnerships for development.

The City has the tools in place to make this recommendation a reality. It can assemble land, it has excellent resources to plan site redevelopment, it communicates frequently with educational institutions/ property owners/ business leaders, and it has financing tools such as Tax Increment Finance (TIF), etc. The City also has a large amount of underutilized land supply (as demonstrated by this study), one of the missing ingredients in other regions. The City can structure a public-private partnership to demonstrate a bold economic development initiative, encourage smart growth, be ready for opportunities as they arise, and earn back its investments through shared real estate profits and/or tax revenues.

As a policy decision, it is recommended that this approach be applied first to sites with development challenges in terms of land assembly, but with strong potential for success, such as the 3rd/5th/King site in the 315 Technology Corridor as well as in the Hilltop NCR. Both of these demonstration projects would follow logically from prior land use or strategic planning, and both offer great promise in different directions over the next five years. The Job Center Concepts chapter of this study offers a starting point. Next steps for these two demonstration projects are:

3rd/Fifth/King:
- Convene meeting with property owners and nearby Grandview planners, property owners , and 315 Tech Corridor Stakeholders to discuss collaborative strategic plan
- Develop a land use plan, including financial feasibility analysis and implementation strategies which achieve City of Columbus goals for job generation at this site
- Evaluate appropriate job density goals and tie incentives directly to this site.
- To the extent necessary, assemble parcels to achieve unified development site
- Issue RFP for master developer to build the plan

Hilltop NCR:
- Convene meeting with property owners and potential infill developers to discuss the vision for West Broad and the concepts described in this report
- Select catalyst parcel for first mixed-use project
- Fund architecture / design work and feasibility study to create unique cornerstone project
- Provide development and job attraction incentives to achieve objections

Strategy #5: Set Goal of Job Densification in Job Centers

Current Strategies
Many of the more successful cities across the country struggle with the impacts of growth, sprawl, and traffic congestion. Solutions are continuously being sought, but in recent years, the idea of "smart growth" has taken hold in order to encourage more efficient use of land, transit, and fiscal resources. All of these trends have led to a goal of land use densification, and more compact transit-oriented

development patterns.

In Seattle, this goal has become an explicit part of planning and economic development. Due to a variety of factors and trends, Seattle has elected to create a planning / land use policy framework of Urban Centers with the goal of accommodating at least 50 jobs per acre or more. As described in this report, one neighborhood which has attracted a branch of Battelle and also represents a good model for joint city/university/private developer partnership is South Lake Union, a designated urban center. In South Lake Union, the goal of 50 jobs per acre has been surpassed, and a new goal of 100 jobs per acre has been set. In comparison, downtown Columbus has an estimated 30 jobs per acre or less, with other job centers at lower densities.

At the same time, as described in this report, many technology-oriented companies and workers are finding that the identity of a “place,” with its web of economic vitality, culture, ability to mix work and leisure in a single location, and a strong interest in urban living, have combined to support these smart growth policies.

Columbus benefits from an ample supply of land to accommodate its employment and residential growth. This study did not specifically conduct land use planning for the City or the region, but the analysis conducted related to job densities, fiscal effects of job growth, and related discussion lays the foundation to link to a set of smart growth land use policies. As the 21st Century Growth Team underscored, the need to “Pay as We Grow” is also critical. As the City moves toward formulating an overall Economic Development Strategy, this goal will also serve to form the basis of linking future land use planning to economic vitality.

Recommendation
It is recommended that the City of Columbus set a policy goal of job densification, and integrate this policy into other economic development strategies. For most industries except logistics/warehousing, a minimum density of 10 jobs per acre (which is 3 jobs above the overall city average per acre currently) could be implemented, with incentive tied to achieving 20 jobs per acre or more.

This policy should be tied to incentives to encourage job densification and mixed uses, especially in Job Centers (see Strategy #1).

Strategy #6: Create Focused Job Center Marketing Program for City

Summary of Current Strategies
At present, the City of Columbus markets and promotes its available sites and overall competitive strengths to prospective employers through the Economic Development Division of the Development Department. Much of the broader marketing and promotion of Columbus occurs in conjunction with regional organizations such as the Chamber of Commerce, Compete Columbus, etc.

Recommendation
As this report describes, the Job Centers identified by City staff and officials include several decades of potentially available land supply for employment uses within the City’s borders (excluding Downtown). It is likely that additional land and resulting supply to house job growth could be

identified throughout the City as well.

At the same time, substantial additional developable land is available in other incorporated and unincorporated jurisdictions participating in the broader regional marketing/promotion initiatives. These land parcels compete directly with City lands in many individual economic development projects. While collaboration is very important to job attraction from outside the region on the national/international stage, this emphasis does not yet promote the City as a unique and differentiated core economic engine to the region. This message – that Columbus as a city offers unique and different locations, most suitable to certain targeted industry clusters seeking a more urban location – should be better communicated in conjunction with broader regional campaigns. Moreover, it should be organized by a lead agency and communicated in a unified voice.

To better focus efforts on the City's available Job Center lands, it is recommended that the City create a Job Center Marketing Program to meet its specific goals. This Program could have several components, including as follows:

- **Branding and Image.** The City of Columbus, as part of the region, needs to develop its identity and "brand" so that both existing employers and those outside the region understand immediately how the core city area is unique and attractive. This effort will require additional creative work, but should convey the special qualities found only in the City, at the same time it positions the City as part of the Central Ohio region. Opportunities to demonstrate this branding campaign should start at the points of entry to the City, as gateways along major arterials, at the Port of Columbus, and through print media used by the City. The branding campaign should target specifically those characteristics that appeal to "creative" industries, including technology and life sciences. Examples of successful technology-oriented cities' branding are shown below:

- **Online Site Marketing of Available Sites.** Many cities and regions have found that maintaining an online web site to list available parcels along with basic demographic and economic information is a useful way to communicate one of Columbus's key assets – land that is easy and ready to develop. Examples of an online site marketing system, with integrated property information, the capability to explore demographic and workforce data for areas surrounding the sites, and an overall message of ease and convenience for location, can be found at web sites such as Northeast Ohio Regional Economic Development Information System (REDIS), or San Francisco Prospector. This program should be linked to existing web resources promoting City and regional neighborhoods, and also reside as a direct link on regional promotional web sites such as the Chamber of Commerce.

Strategy #7: Monitor and Report on the City's Economy

Current Strategies

As described elsewhere in this report, much of the economic analysis conducted currently in central Ohio is prepared on a regional basis, including the standardized reporting by the State of Ohio Labor Market Information division, as well as reporting by the Chamber of Commerce's economists.

Economies are regional in nature, and in a theoretical world, city boundaries do not define them. However, within regions, central cities must seek to understand their own changes and strengths. This is particularly compelling in locations such as Columbus, where the City's fiscal vitality is directly affected by job growth, and at the same time, the region and state's job growth is moderate.

Analysis conducted for this study regarding specific job growth trends for the City of Columbus represent a first-time effort (although simultaneously to this work, the State of Ohio began its own analysis of the City of Columbus's jobs). It will be particularly important to continue this analysis to understand how Columbus is faring and what the City can do to alter its future economic development path.

Recommendations

It is recommended that the City of Columbus create an annual cycle of job growth reporting, building on the analysis underway by the State of Ohio for the City's quarterly job trends by North American Industrial Classification (NAIC). A brief analysis of this data, compared to the region, other regions or competing cities, and related information should be undertaken annually to inform City policy-makers on the economic conditions of the City.

Analysis of data is only the first step towards using it proactively. This recommendation seeks to engage elected officials, business leaders, small business owners and entrepreneurs, and educational and research institutions in a continuous dialogue about Columbus's economic status.

A key way to accomplish this is to convene an annual City Economic Summit, with a summary presentation of the City's economic trends, followed by discussion of key issues and action items. This can be an invitation-only event, or perhaps more appropriately, an open meeting with substantial outreach to the business and education community.

Appendix A: Advisory Committee

NAME	TITLE	ORGANIZATION
Barbash, Mark	Dir., Development	City of Columbus
Beard, Jonathan C.	President & CEO	Cols Compact Corp.
Cass, Pete N.	Sr. Legislative Analyst	City of Columbus
Campbell, Steven	Mayor’s Office	City of Columbus
Davies, Greg J.	Dev., Deputy Dir.	City of Columbus
Demyan, Nancy A.	Executive Asst.	City of Columbus
Diamond, Thomas S	City Council	City of Columbus
Dravillas, Mark C.	Planner	City of Columbus
Hudson, Mary J.	City Council	City of Columbus
Hunter, Donna R.	Admin., Ofc. Of Land Mgt.	City of Columbus
Johnson, Dianne R.	Mgr., Ofc. of Bus. Asst.	City of Columbus
Susan Crotty		Columbus Urban Growth
LaFayette, Bill		Chamber of Commerce
Papsidero, Vince	Mgr,, Planning Division	City of Columbus
Poulton, Linda J.	Admin. Assistant	City of Columbus
Powell, David	President	Compete Columbus
Purpus, Ellen	Interim Assoc. VP, Tech Transfer & Director, Office for Technology Licensing	The Ohio State University
Reese, Michael	Mayor’s Office	City of Columbus
Safford, Boyce	Mayor’s Office	City of Columbus
Schmidt, Jim		NAIOP
Swan, Melinda T.	Chief of Staff City Council	City of Columbus
Tyler, Kevin	City Council (aide -(Hudson)	City of Columbus
Varner, Scott J.	City Council	City of Columbus
Webster, Williams P.	Economic Dev.	City of Columbus
Wheeler, Kevin	Planner	City of Columbus
Worley, Guy	Mayor’s Chief of Staff	City of Columbus

Appendix B: Economic Trends (Phase I Report)

This chapter summarizes extensive data analysis of Columbus, Mid-Ohio, and related economic trends. It is important to note that some of the following discussion is based on newly-obtained employment data, and may contradict anecdotal views of recent economic trends impacting central Ohio. It should be noted that the following discussion uses a common definition of the central Ohio region, as defined by the U.S. Census to include the counties of Franklin, Delaware, Fairfield, Licking, Madison, Morrow, Pickaway, and Union. Together, these eight counties are defined as the Columbus Metropolitan Statistical Area (MSA), a Census category describing U.S. urbanized regions.

Columbus Region Compared to Other U.S. Regions

The economy of the City of Columbus is part of the region when considered from an economic development perspective. To first evaluate how the Columbus MSA performed during the 1990s, this section compares the Columbus Metropolitan Statistical Area or MSA (considered the Columbus region) to other regions in the U.S. perceived to be competing for job growth and economic development.

Table B-1 analyzes population and job growth trends during the 1990s for the Columbus Metropolitan Statistical Area (MSA) and selected other U.S. regions. Educational attainment at the bachelor's degree or higher, an indicator of a skilled labor force and important to many high wage employers, along with median home value[10], an indicator to employers of the workforce's ability to have a good quality of life, are also included in the table for comparison purposes. Both of these demographic factors are often important to companies when comparing regions during location decision processes.

As shown, the Columbus MSA outperformed the other largest regions in Ohio during the 1990s; both Cleveland's and Cincinnati's MSAs had slower rates of growth in population and jobs. The Columbus MSA population grew 12.2 percent for the decade, compared with 8.9 percent for the Cincinnati MSA and 3.0 percent for Cleveland. Jobs grew at an even faster rate in the Columbus region than population, with a total increase of 19.5 percent, compared to about 13.7 percent for Cincinnati's region and 8.6 percent for Cleveland. It is important to note that all three major regions in Ohio created jobs at a faster rate than population growth, indicating an underlying vitality within each region's economic base.

The Indianapolis MSA, often cited as an example of successful economic development, showed more rapid population growth than the Columbus region (16.4 percent compared to 12.2 percent), but slower job growth than the Columbus region (16.7 percent compared to 19.5 percent).

In contrast to these moderately growing regions, the Pittsburg region experienced an absolute numerical decline during the decade, for both population and jobs.

The remaining regions shown on Table B-1, including Charlotte, Nashville, Raleigh, Atlanta, and

[10] Note: These home values are "self-reported" and do not reflect the actual market performance in 2000.

Phoenix, all experienced substantial growth in population and jobs for the decade, ranging from 25 to over 40 percent increases. The emergence of these regions as strong national employment centers should be considered carefully, however. Each of these fast-growing regions is unique in terms of its economic base and competitive characteristics, and most of the employment growth is generated by local population shifts and resulting services for the expanded resident population.

One of the most important factors to consider in competing regions, particularly for higher wage jobs demanding high levels of skill, is the educational attainment of the labor force. As shown in Table B-1, the Columbus region commenced the decade with a highly educated labor force; more than 23 percent of the Columbus region's adult population had attained a bachelor's degree or higher in 1990, exceeded only by Raleigh and Atlanta among the areas analyzed. By 2000, the Columbus region's adult population had increased its educational level substantially, rising to over 29 percent with a bachelor's degree or higher, again only exceeded by Raleigh and Atlanta. The Columbus region's strong educational attainment is a strong competitive advantage to many potential and existing employers.

Reported home values among the regions analyzed also show that central Ohio was relatively competitive, with a median reported value of $120,000 in 2000. roughly comparable to Charlotte and Nashville, and more affordable than the fast-growing regions of Raleigh and Atlanta. While all of the selected regions in this analysis have roughly similar median home values, it is important to note that many other regions of the U.S. have more expensive housing markets, resulting in substantially higher median home values, creating other challenges for economic developers in those areas and employers concerned with their workers' quality of life.

These two indicators – education and housing prices – represent strong underlying competitive advantages of the Columbus region when compared to other fast-growing regions of the U.S..

Table B-1: Columbus Region Compared to Selected Other U.S. Regions, 1990 - 2000

	Population			Jobs			% with Bachelor's Degree Or Higher			2000 Median Home
	1990	2000	Change	1990	2000	Change	1990	2000	Change	Value ©
Columbus MSA	1,373,199	1,540,157	12.2%	685,583	819,410	19.5%	23.3%	29.1%	24.9%	$120,900
Cincinnati MSA	1,817,571	1,979,202	8.9%	845,199	961,155	13.7%	19.7%	25.0%	27.0%	$116,500
Cleveland MSA	2,859,644	2,945,831	3.0%	1,305,721	1,417,750	8.6%	18.7%	23.5%	25.8%	$117,900
Indianapolis MSA	1,380,491	1,607,486	16.4%	704,116	821,895	16.7%	20.2%	25.8%	27.9%	$111,200
Pittsburgh MSA	2,394,811	2,358,695	-1.5%	1,088,750	1,076,045	-1.2%	18.7%	23.8%	27.5%	$86,100
Charlotte MSA	1,162,093	1,499,293	29.0%	634,924	793,495	25.0%	19.6%	26.5%	35.1%	$123,300
Nashville	985,026	1,231,311	25.0%	514,845	660,200	28.2%	21.4%	26.9%	25.5%	$123,600
Raleigh MSA	855,545	1,187,941	38.9%	479,846	653,075	36.1%	31.7%	38.9%	22.8%	$146,800
Atlanta MSA	2,959,950	4,112,198	38.9%	1,583,146	2,120,885	34.0%	26.1%	32.0%	22.7%	$135,300
Phoenix MSA	2,238,480	3,251,876	45.3%	1,035,518	1,469,560	41.9%	21.4%	25.1%	17.0%	$127,900

Notes:
(a) MSAs and CMSAs based on 2000 Census standards; 1990 MSA and CMSA data adjusted to reflect 2000 Census definitions.
(b) Persons 25 years of age or older.
(c) Specified owner-occupied units, occupant's estimate of value. Includes only single family homes on less than 10 acres.

Sources: 1990 & 2000 U.S. Census; 1990 & 2000 Census Transportation Planning Package; BAE, 2006.

City of Columbus and Regional Growth Trends

In economic development planning for Columbus, it is also important to understand how the City has grown relative to the region surrounding it. Tables B-2 through B-6 profile the City of Columbus and the region, compared to the State and the nation, across the demographic indicators of population, household, and job growth from 1990 to 2000, along with a summary of the distribution of age, educational attainment, and household income.

Population, Households, and Job Trends

As shown in Table B-2, Columbus and the region (e.g. the Columbus MSA) experienced strong growth during the 1990s relative to the State of Ohio. Population growth within the region grew more than 12 percent, outpacing Ohio's population growth rate of just under 5 percent for the same period.

The City of Columbus registered a slightly higher rate of population growth, at 12.4 percent, than the region overall, at 12.2 percent. The number of households, a key driver of housing demand, increased even more rapidly than population growth in Columbus and the region during the 1990s, at roughly 17 percent.

These data for Columbus compare favorably with the U.S., which experienced a population rise of 13 percent an a household rise of just under 15 percent for the same period.

Job growth during the 1990s in Columbus and the region was also relatively strong, compared to the State. In Columbus, more than 50,000 new jobs were added during the decade, a 12.5 percent growth rate for the period. Within the region, almost 134,000 jobs were added, translating into just under 20 percent employment growth during the 1990s. These rates of job growth exceeded the U.S. (11.4 percent increase), and rapidly outpaced the State of Ohio, with just a 9.5 percent job growth during the decade.

The result of these job growth patterns is compelling; the Columbus region increased its share of the State's total jobs during the period by 1.3 percentage points, rising to a share of 15.4 percent by 2000. At the same time, Ohio retained its share of total U.S. jobs (4.2 percent in both 1990 and 2000).

Since 2000, estimated population and household data indicate that growth in the City of Columbus and the region have continued, with particularly rapid growth occurring outside of Columbus in surrounding areas. As shown in Table B-2, the City experienced an estimated 3.1 percent rise in population between 2000 and 2005, keeping pace with national trends (up 4.9 percent for the same period). The region grew much more rapidly than the City during the same period, at a rate of over 10 percent. In contrast, the State of Ohio registered a slight increase of just over 1 percent during the same five years. Job data for are not yet available for the entire 2005 calendar year for all three geographies, and are therefore not shown in Table B-2, but similar job data for a period covering 2000 to 2004 are analyzed in a subsequent section of this report.

These statistics suggest that both Columbus and the region have been performing at or better than overall national trends for most of the past 15 years, and have performed differently than overall Ohio trends.

Table B-2: Population, Household, and Job Growth 1990 - 2005

City of Columbus	1990	2000	% Change 1990-2000	2005 (est.)	% Change 2000-2005
Population	632,910	711,470	12.4%	733,424	3.1%
Households	256,996	301,534	17.3%	314,268	4.2%
Jobs (b)	400,419	450,605	12.5%		
Columbus MSA (a)					
Population	1,373,199	1,540,157	12.2%	1,701,266	10.5%
Households	523,154	610,757	16.7%	677,826	11.0%
Jobs (b)	685,583	819,410	19.5%		
Jobs as Share of State	*14.1%*	*15.4%*			
State of Ohio					
Population	10,847,115	11,353,140	4.7%	11,476,038	1.1%
Households	4,087,546	4,445,773	8.8%	4,546,265	2.3%
Jobs (b)	4,869,217	5,333,620	9.5%		
Jobs as Share of U.S.	*4.2%*	*4.2%*			
United States					
Population	248,709,873	281,421,906	13.2%	295,140,073	4.9%
Households	91,947,410	105,480,101	14.7%	111,006,738	5.2%
Jobs (b)	115,003,157	128,168,928	11.4%		

Notes:
a) The Columbus MSA consists of Delaware, Fairfield, Franklin, Licking, Madison, Morrow, Pickaway, and Union Counties
b) Number of workers by place of work from CTPP Part II.
Sources: 1990 & 2000 U.S. Census; 1990 & 2000 Census Transportation Planning Package; Claritas, 2005; BAE 2006.

Age Distribution

As shown on Table B-3, as of the 2000 Census, the City of Columbus's population was relatively young, with a median age of 32.5 compared to the region's median of 34.8 and the country's 36.2 years. Columbus and the region had a substantial proportion of children, with more than one-fifth of total population under the age of 15 in both geographies. Interestingly, among youth aged 15 to 20, Columbus had a slightly lower concentration than the region, state, or nation, despite the large 18 to 20 student population residing at Ohio State University (counted in the Census).

Columbus exceeded the region, state, and nation significantly among the young adult (age 21 to 34) population, with 25.4 percent of the City in this category, compared to 21 percent or below for the other geographies. This concentration indicates a large workforce of young adults, an attractive feature for many employers. This age cohort also represents a strong segment for household formation, and resulting retail purchasing power for durable goods such as major appliances and automobiles. At the other end of the age spectrum, Columbus has a smaller proportion of seniors age 65 and over (8.9 percent), compared to the region (10.2 percent), state (13.5 percent), or nation (12.5) percent.

Table B-3: Age Distribution 2005 (Estimated)

	City of Columbus		Columbus MSA		State of Ohio		United States	
Age	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 15	156,603	21.4%	357,482	21.0%	2,295,911	20.0%	60,711,647	20.6%
15 to 20	59,509	8.1%	144,523	8.5%	1,002,169	8.7%	25,646,578	8.7%
21 to 24	43,997	6.0%	93,153	5.5%	618,370	5.4%	16,310,587	5.5%
25 to 34	142,034	19.4%	259,579	15.3%	1,453,771	12.7%	39,740,446	13.5%
35 to 44	116,159	15.8%	267,816	15.7%	,662,726	14.5%	43,859,406	14.9%
45 to 54	91,688	12.5%	242,327	14.2%	1,698,111	14.8%	42,012,547	14.2%
55 to 64	58,410	8.0%	161,761	9.5%	1,200,247	10.5%	29,803,019	10.1%
65 to 74	33,730	4.6%	93,836	5.5%	777,456	6.8%	19,027,935	6.4%
75 to 84	22,591	3.1%	59,539	3.5%	559,019	4.9%	13,013,745	4.4%
85 +	8,703	1.2%	21,250	1.2%	208,258	1.8%	5,014,163	1.7%
Total	733,424	100.0%	1,701,266	100.0%	11,476,038	100.0%	295,140,073	100.0%
Median Age	**32.5**		**34.8**		**37.2**		**36.2**	

Sources: Claritas, 2005; Bay Area Economics, 2006.

Educational Attainment

Table B-4 shows a detailed breakdown of educational levels for Columbus and the other areas analyzed. Both the City and the region have highly educated workforces compared to the state or the nation. For example, when considering the total proportion of adults who have not advanced beyond a high school diploma, Columbus has 43.6 percent of adult residents in this category compared to 53.2 percent for the State and 48.2 percent for the U.S. At the other end of the spectrum, more than 29 percent of adults residing in both Columbus and the region overall have achieved a bachelor's degree or higher, including rates of 9 to almost 10 percent achieving graduate or professional degrees. In contrast, just 21 percent of the state's population and 24 percent of the nation's population have attained a bachelor's degree or higher, and the proportion of those with graduate or professional degrees is also lower.

Table B-4: Educational Attainment, Adults Age 25 and Over, 2000

	City of Columbus		Columbus MSA		State of Ohio		U.S.
Education Level	Number	Percent	Number	Percent	Number	Percent	Percent
Less than 9th Grade	17,011	3.9%	32,825	3.3%	331,801	4.5%	7.5%
9th to 12th Grade, No Diploma	54,600	12.4%	106,748	10.9%	930,284	12.6%	12.1%
High School Graduate	120,348	27.3%	296,418	30.1%	2,674,551	36.1%	28.6%
Some College, No Degree	96,217	21.8%	205,409	20.9%	1,471,964	19.9%	21.0%
Associate Degree	24,753	5.6%	56,542	5.7%	439,608	5.9%	6.3%
Bachelor's Degree	87,624	19.9%	191,614	19.5%	1,016,256	13.7%	15.5%
Graduate or Prof. Degree	40,434	9.2%	94,209	9.6%	547,276	7.4%	8.9%
Total	**440,987**	**100.0%**	**983,765**	**100.0%**	**7,411,740**	**100.0%**	**100.0%**

Sources: 2000 U.S. Census; Bay Area Economics, 2005.

Household Income Distribution

Table B-5 provides the 2005 estimated household income distribution, and shows that the median household income of $43,500 for Columbus is slightly lower than the region's almost $51,000. This different in median can be partially explained by the lower median age in Columbus as well as the large student and young adult populations.

Although the distribution of Columbus's household incomes indicates a slightly higher proportion of those earning $25,000 and below, one of most distinct differences is at the highest end of the income spectrum. The City of Columbus had an estimated 3.2 percent of all households earning $150,000 or more in 2005, compared with a national proportion of 6.3 percent. Both the region and the state fall below the national level as well, but both have higher proportions than Columbus.

Table B-5: Household Income Distribution, 2005 (Estimated)

	City of Columbus		Columbus MSA		State of Ohio		United States	
Estimated Income	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**
Less than $15,000	47,157	15.0%	77,894	11.5%	618,079	13.6%	15,186,131	13.7%
$15,000 to $24,999	37,483	11.9%	67,898	10.0%	536,172	11.8%	12,484,979	11.2%
$25,000 to $34,999	41,046	13.1%	76,836	11.3%	556,785	12.2%	12,755,353	11.5%
$35,000 to $49,999	55,270	17.6%	110,706	16.3%	765,934	16.8%	17,616,827	15.9%
$50,000 to $74,999	63,749	20.3%	140,217	20.7%	918,232	20.2%	21,421,848	19.3%
$75,000 to $99,999	34,127	10.9%	86,405	12.7%	518,898	11.4%	12,767,566	11.5%
$100,000 to $149,999	25,405	8.1%	78,084	11.5%	425,871	9.4%	11,807,676	10.6%
$150,000 to $249,999	7,556	2.4%	28,696	4.2%	146,785	3.2%	4,858,640	4.4%
$250,000 to $499,999	1,958	0.6%	8,027	1.2%	42,422	0.9%	1,443,159	1.3%
$500,000 and over	517	0.2%	3,063	0.5%	17,087	0.4%	664,559	0.6%
Total	314,268	100%	677,826	100%	4,546,265	100%	111,006,738	100%
Median Household Income		**$43,535**		**$50,995**		**$46,008**		**$47,837**

Sources: Claritas, 2005; Bay Area Economics, 2005.

Place of Work

Table B-6 shows the number of Columbus residents who worked throughout the region in 2000, by location of their job. Columbus had a total of 450,434 adult residents who worked in 2000, of which 56.5 percent, or 254,520 of these residents, held jobs located within the City. When viewed from another perspective, of all the jobs located within the City at that time, 56.5 were held by residents of Columbus, while 43.5 percent of jobs in the City drew in-commuters living outside city boundaries.

Table B-6: Columbus Residents by Place of Work, 2000

Place of Work	**Number**	**Percent**
Employed Columbus Residents Working in Columbus	254,520	56.5%
Employed Columbus Residents Working Elsewhere	195,934	43.5%
Total Columbus Employed Residents (a)	450,454	100.0%
Total Jobs in Columbus	450,605	
Share of Columbus Jobs Held By Columbus Residents	56.5%	

Notes:
(a) Does not include Columbus residents that work outside of Ohio.
Sources: 2000 U.S. Census, CTPP Part 3; Bay Area Economics, 2006.

Columbus Compared to Other Cities Within the Region

As household and job growth occurred throughout the Columbus region during the 1990s, the pace of each of these factors, and their impact on jobs/housing balance varied greatly. Table B-7 presents an analysis of the change in households and jobs during the decade, as well as the beginning and end of period jobs/housing balance. The ratio of jobs to housing is a common method of measuring the mix of land uses from a planning perspective, with the goal of most policy makers to achieve at least one job or more per household to minimize commuting and traffic congestion. For the Columbus region overall, the beginning and end of the decade indicated a jobs/housing balance of 1.3, meaning that the region contained 1.3 jobs for every household.

Table B-7 shows several interesting findings regarding Columbus and surrounding cities within the region. Of the 87,600 households added to the region from 1990 to 2000, Columbus captured 44,538, or 50.8 percent of regional household growth. At the same time, of the 133,827 jobs added to the region, Columbus captured almost 50,200, a capture rate of 37.5 percent of all regional job growth. These changes during the decade meant that in 1990, Columbus had a jobs/housing balance of a healthy 1.6, which declined by the end of the decade slightly to 1.5.

Using another way to measure these trends, if Columbus had maintained its starting share of the job base in the region (e.g., 58.9 percent of total), it would have captured an additional almost 28,000 jobs as part of the region's growth during the decade.

Table B-7 profiles these same shifts for 21 additional cities within the region. These 21 cities captured a total of 30,537 households, or 34.9 percent of regional growth. At the same time, these 21 cities captured 53,600 jobs, or 44.5 percent of regional growth. Other communities and unincorporated areas captured the remaining 12,500 households (14.3 percent of regional household growth) and 24,000 jobs (18.0 percent of regional growth).

Among the cities analyzed, Dublin captured the highest share of job growth following Columbus. Dublin added 14,400 jobs during the decade, or 10.8 percent of regional job growth. However, it is important to note that Dublin also added more than 5,600 households during the same period, representing 6.5 percent of regional household growth. These patterns meant that Dublin started the decade with a very job-rich jobs/housing balance of 3.1, but actually experienced a decline during the decade to a jobs/housing balance by 2000 of 2.8.

Gove City captured the third largest share of regional job growth, adding more than 7,700 jobs, or 5.8 percent of growth regionwide. At the same time, Grove City added almost 2,900 households, a 3.3 percent share of the region's household increase. This trend resulted in an improved jobs/housing balance for Grove City, which started the decade with a balance of 0.9, and ended the decade at 1.4.

Other communities which improved their jobs/housing balance substantially include Gahanna, which added more than 6,500 jobs and just 2,500 households, resulting in a rise of the jobs/housing balance from a relatively low 0.7 to 1.1. Groveport, which started the decade with a strong jobs/housing balance of 2.2, added many more jobs than households to its mix, ending the decade with a very strong balance of 3.3. Two other traditionally job-rich cities, Worthington and Granville, each experienced very limited growth in jobs and housing, meaning that these two cities started and ended the decade with their same relatively high jobs/housing balance unchanged (at 2.6 and 3.2 respectively).

Several communities lost ground in their jobs/housing balance, by adding more households than jobs during the decade. In addition to Dublin and Columbus, the cities with declining jobs/housing balances included Canal Winchester, Circleville, Delaware, Marysville, and Reynoldsburg, although many of these cities still had relatively strong balances at the end of the decade.

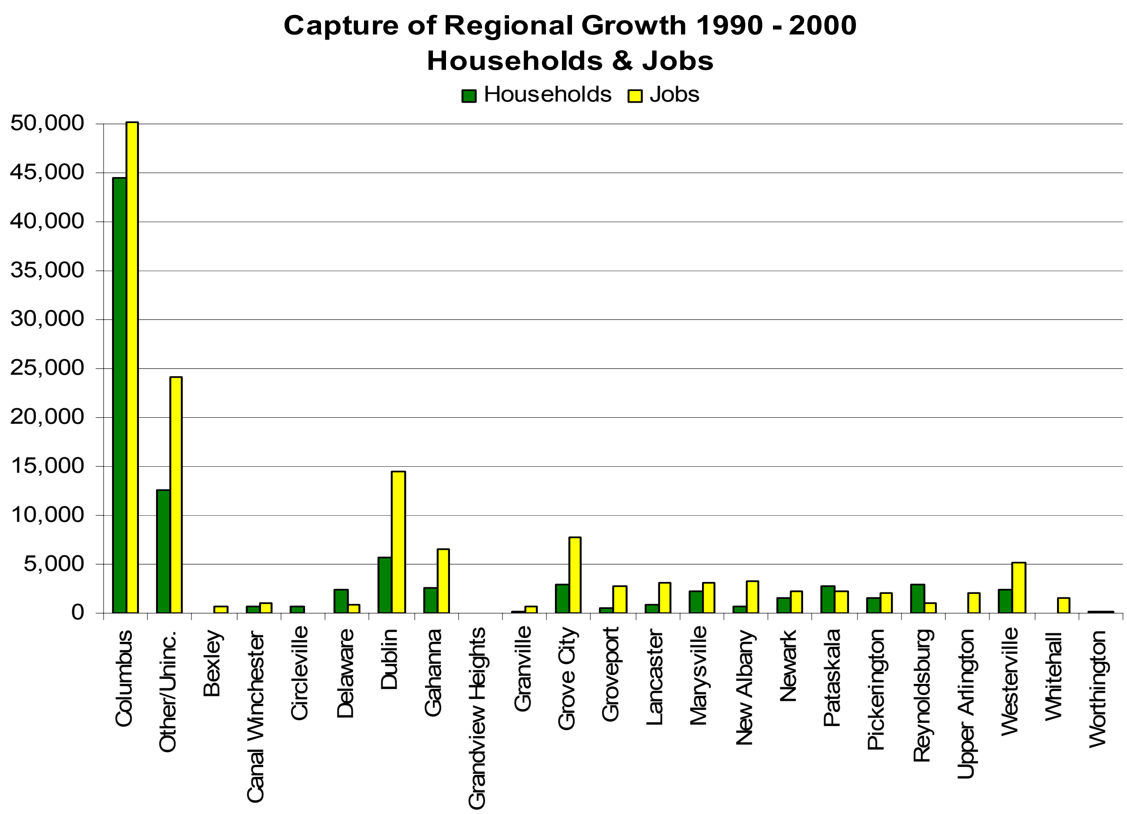

Table B-7: Comparison of Columbus to Other Mid-Ohio Cities, 1990 - 2000

	Households				Jobs				Jobs/Housing Balance		
	1990	2000	Change	% Regional Chg	1990	2000	Change	% Regional Chg	1990	2000	Change
Columbus MSA	**523,154**	**610,757**	**87,603**		**685,583**	**819,410**	**133,827**		**1.3**	**1.3**	0.0
Columbus	**256,996**	**301,534**	**44,538**	**50.8%**	**400,419**	**450,605**	**50,186**	**37.5%**	**1.6**	**1.5**	-0.1
Bexley	4,753	4,705	-48	-0.1%	3,306	4,045	739	0.6%	0.7	0.9	0.2
Canal Winchester	957	1,664	707	0.8%	2,293	3380	1,087	0.8%	2.4	2.0	-0.4
Circleville	4,621	5,378	757	0.9%	6,718	6550	-168	-0.1%	1.5	1.2	-0.2
Delaware	7,137	9,520	2,383	2.7%	11,630	12455	825	0.6%	1.6	1.3	-0.3
Dublin	5,522	11,209	5,687	6.5%	17,345	31,780	14,435	10.8%	3.1	2.8	-0.3
Gahanna	9,453	11,990	2,537	2.9%	6,883	13,425	6,542	4.9%	0.7	1.1	0.4
Grandview Heights	2,895	2,953	58	0.1%	4,472	3430	-1,042	-0.8%	1.5	1.2	-0.4
Granville	1,060	1,309	249	0.3%	2,723	3375	652	0.5%	2.6	2.6	0.0
Grove City	7,382	10,265	2,883	3.3%	6,925	14645	7,720	5.8%	0.9	1.4	0.5
Groveport	1,101	1,575	474	0.5%	2,410	5220	2,810	2.1%	2.2	3.3	1.1
Lancaster	13,981	14,852	871	1.0%	17,238	20355	3,117	2.3%	1.2	1.4	0.1
Marysville	3,269	5,563	2,294	2.6%	6,718	9785	3,067	2.3%	2.1	1.8	-0.3
New Albany (a)	600	1,263	663	0.8%	0	3,360	3,360	2.5%	0.0	2.7	2.7
Newark	17,802	19,312	1,510	1.7%	21,238	23440	2,202	1.6%	1.2	1.2	0.0
Pataskala	1,204	3,922	2,718	3.1%	855	3020	2,165	1.6%	0.7	0.8	0.1
Pickerington	1,886	3,468	1,582	1.8%	1,587	3585	1,998	1.5%	0.8	1.0	0.2
Reynoldsburg	9,981	12,849	2,868	3.3%	7,443	8,545	1,102	0.8%	0.7	0.7	-0.1
Upper Arlington	13,956	13,985	29	0.0%	7,962	10,045	2,083	1.6%	0.6	0.7	0.1
Westerville	10,178	12,663	2,485	2.8%	16,177	21,395	5,218	3.9%	1.6	1.7	0.1
Whitehall	8,635	8,343	-292	-0.3%	13,498	15005	1,507	1.1%	1.6	1.8	0.2
Worthington	5,570	5,692	122	0.1%	17,995	18,132	137	0.1%	3.2	3.2	0.0
Subtotal Other Cities	**131,943**	**162,480**	**30,537**	**34.9%**	**175,416**	**234,972**	**59,556**	**44.5%**	**1.3**	**1.4**	0.1
Other/Unincorporated	134,215	146,743	12,528	14.3%	109,748	133,833	24,085	18.0%	0.8	0.9	0.1

Note: (a) Job count for New Albany not available for 1990.

Sources: 1990 & 2000 U.S. Census; 1990 & 2000 Census Transportation Planning Package; Claritas 2005; BAE, 2006.

Employment Growth Since 2000

Table B-8 presents a detailed analysis of job growth in the City of Columbus, the region, and the State of Ohio for the period from 2001 through 2004 by industry sector. The various industry sectors have been grouped together on Table 8 to also enable assessment of interrelated sectors that tend to support each other. These data are based on confidential firm-by-firm reporting of jobs each quarter to state and federal unemployment agencies, and the data set is known as ES202. It is important to note that the data shown for Columbus was obtained by BAE from the State Division of Labor Market Information (LMI), which has not previously analyzed the City of Columbus apart from the region. To conduct the analysis, BAE utilized GIS to geo-code the address location of each reporting firm, in order to determine actual location inside or beyond Columbus's boundaries[11] Because the data set is reported quarterly firm by firm, the BAE analysis uses the 3rd quarter of each year reported to conduct this analysis, based on the assumption that this quarter is least likely to be influenced by seasonal fluctuations.

At the same time that BAE commenced its data analysis in late fall of 2005, the state LMI completed a similar analysis for the City of Columbus for the first quarter of 2005, on a preliminary basis, and BAE worked closely with state staff to utilize some of the same geo-coding classifications[12].

Total Jobs
As shown on Table B-8, Columbus's overall employment base lost slight ground during the four-year period, in keeping with overall state and national downturns in the economic cycle. However, Columbus's net job loss of just 2,772 jobs, or 1 percent, compares favorably with the region's net jobs loss of 7,000, which was also a 1 percent decline for the period. Both Columbus and the region compare favorably to the State of Ohio, which lost 2 percent of its job base during the same period.

Moreover, Columbus's share of the region's job total remained unchanged, at 50 percent, throughout the period, demonstrating the City's ability to retain jobs in the face of suburban competition and simultaneous economic downturns.

Manufacturing
One the hardest-hit sectors from 2001 through 2004 in Columbus was manufacturing, which lost more than 8,500 jobs in four years, a drop of 23 percent for the period. Regionally, this sector lost 13,100 jobs, a drop of 14 percent, while statewide, this sector lost 13 percent of its total. The more dramatic decline in this sector for the City of Columbus meant that its share of regional employment in manufacturing also declined, from 40 percent in 2001 to just 35 percent in 2004.

This decline in manufacturing jobs echoes national and regional trends throughout much of the U.S., which experienced a drop in this sector after the economic expansion of the late 1990s. Many

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[11] In ES 202 data, companies often report a Columbus mailing address even though they are physically located outside city boundaries in surrounding communities. Thus, this analysis requires both locating and refining the data set to accurately measure true location by firm.

[12] Since LMI published its 1st quarter 2005 information in early 2006, it has continued to refine its data analysis and geo-coding; the BAE work represents a subsequent level of refined analysis, and as such, is not directly comparable to recently published LMI reports.

economists have been predicting this decline for years, as the entire U.S. struggles to compete with inexpensive labor costs in other parts of the world. Because this is a nationally declining sector, many cities across the U.S. have therefore shifted their economic development strategies to retrain workforces and seek job expansion and attraction in other, more vital sectors.

Entertainment, Dining, Lodging, and Retail
These sectors are grouped together because they are inter-related in terms of serving visitors and residents, and also because they tend to typically follow similar economic cycles.

This group of industries showed strength in Columbus during the period analyzed, with an overall rise in jobs of 1,941, including a dramatic increase of more than 5,700 jobs in Lodging & Dining. Overall, this group of industry sectors increased 2 percent in Columbus, while dropping by -3 percent in the region and -2 percent at the statewide level. The strong decline across all three areas in the retail component of this group is expected, due to the general economic slowdown occurring at that time.

Government
This group of sectors shows several interesting trends for Columbus. In keeping with its role as the state capitol, state government employment increased in Columbus by more than 2,200 jobs during the period, but this rise was off-set by cuts in local government (e.g., City of Columbus) employment, resulting in no measurable overall change in total government employment. In contrast, the region overall increased by 4,700 jobs in government, primarily in the category of local government, resulting in a rise of 3 percent. The State of Ohio increased at a rate of 1 percent for the period.

Construction & Real Estate
Within the City of Columbus, this group of industries experienced a modest decline of 7 percent, a net loss of almost 2,000 jobs. Within the region, however, this industry group declined less significantly, and most of the decline is due to the Columbus loss. Statewide trends followed regional trends for this industry group, declining by 3 percent during the period.

Education
Education employment, which tends to follow population growth but is also influenced by the decisions of individual school districts and higher education institutions, grew at a relatively rapid rate for the region, adding 2,100 jobs for a rise of 22 percent. Columbus added a modest 741 jobs in this sector, for an increase of 16 percent for the period. a limited amount considering its economy as strongly focused on higher education.

Health Care and Social Assistance
This sector has show strong growth nationally, due in part to increased demands for health services. In Columbus, with a strong focus in health care, almost 6,500 jobs were added to this sector, an increase of 13 percent. In comparison, the region grew by 10 percent (with almost all the jobs attributable to the Columbus portion), while the State grew at a slower rate of 7 percent. It is also interesting to note that the growth in this sector plus lodging and dining services more than off-set the decline in manufacturing jobs in Columbus.

Technology and Business Services

This group of industries combines the inter-related sectors of Information, Administrative Support, Management of Companies, Professional and Technical Services, Finance and Insurance, and Other Services. In combination for the period, the City of Columbus showed a modest 1 percent increase in employment within this group, relative to a flat situation in the region and a decline of 1 percent at the state level. This group of industries represented 28 percent of all City of Columbus employment by 2004, a substantially higher concentration than for state overall (22 percent).

Within this group of industries, Management of Companies, Professional and Technical Services, and "Other Services" represented bright spots of strong growth for the period, adding a total of 2,500 jobs from these three sectors.

Logistics and Utilities

This group of industries has long been considered a key sector of Columbus's and the region's economy, enhanced by central Ohio's strategic location along transportation routes and within convenient trucking distances to large population centers. However, it should be noted that while warehousing and distribution are vital industries, their characteristics result in small numbers of jobs per acre of land used to house them, and the rate of logistics jobs per typical facility tends to fall over time as automation and other technology replaces labor.

In Columbus during the period analyzed, this group of industries experienced a net job loss of over 2,100 jobs, for a drop of 6 percent during the period. In contrast, the region as a whole gained 200 jobs, meaning that other communities within the Columbus MSA actually gained 2,300 jobs to offset the loss in the City. Similar rates of overall decline to the City were echoed by a state decline of 5 percent.

While some of the drop in logistics and utilities industries may be attributable to overall slowdowns in the larger economy, these findings indicate the need for further analysis to understand the impact of logistics and utilities on the City's economic base.

Table B-8: Employment by Industry, 2001 -2004

	City of Columbus (b)				Columbus MSA (c)				State of Ohio (c)			
Employment by Industry (a)	2001	2004	Change	% Change	2001	2004	Change	% Change	2001	2004	Change	% Change
Manufacturing	**37,579**	**29,011**	**(8,568)**	**-23%**	**95,100**	**82,000**	**(13,100)**	**-14%**	**953,000**	**824,500**	**(128,500)**	**-13%**
Columbus Share of Region	*40%*	*35%*										
Entertainment, Dining, Lodging, and Retail												
Arts, Entertainment, and Recreation	4,931	5,418	487	**10%**	11,100	11,900	800	7%	68,600	68,100	(500)	-1%
Accommodation and Food Services	35,186	40,909	5,723	**16%**	70,200	74,900	4,700	7%	413,000	427,200	14,200	3%
Retail Trade	53,818	49,549	(4,269)	**-8%**	120,100	108,500	(11,600)	-10%	657,500	621,600	(35,900)	-5%
Subtotal	**93,935**	**95,876**	**1,941**	**2%**	**201,400**	**195,300**	**(6,100)**	**-3%**	**1,139,100**	**1,116,900**	**(22,200)**	**-2%**
Columbus Share of Region	*47%*	*49%*										
Government												
Federal Government	4,700	4,559	(141)	**-3%**	13,900	13,100	(800)	-6%	82,600	78,200	(4,400)	-5%
State Government	44,825	47,031	2,206	**5%**	60,200	61,300	1,100	2%	165,100	166,200	1,100	1%
Local Government	33,063	30,822	(2,241)	**-7%**	74,200	78,600	4,400	6%	546,300	557,400	11,100	2%
Subtotal	**82,588**	**82,412**	**(176)**	**0%**	**148,300**	**153,000**	**4,700**	**3%**	**794,000**	**801,800**	**7,800**	**1%**
Columbus Share of Region	*56%*	*54%*										
Construction & Real Estate												
Real Estate and Rental and Leasing	9,160	9,585	425	**5%**	15,500	15,100	(400)	-3%	72,800	70,400	(2,400)	-3%
Construction, Mining and Natural Resources (d)	19,754	17,537	(2,217)	**-11%**	42,200	40,900	(1,300)	-3%	253,400	246,700	(6,700)	-3%
Subtotal	**28,402**	**26,408**	**(1,994)**	**-7%**	**57,700**	**56,000**	**(1,700)**	**-3%**	**326,200**	**317,100**	**(9,100)**	**-3%**
Columbus Share of Region	*49%*	*47%*										
Educational Services	**5,065**	**5,806**	**741**	**15%**	**9,600**	**11,700**	**2,100**	**22%**	**83,600**	**92,600**	**9,000**	**11%**
Columbus Share of Region	*53%*	*50%*										
Health Care and Social Assistance	**48,408**	**54,886**	**6,478**	**13%**	**81,200**	**89,000**	**7,800**	**10%**	**610,400.0**	**651,600.0**	**41,200**	**7%**
Columbus Share of Region	*60%*	*62%*										
Technology & Business Services												
Information	11,111	10,402	(709)	-6%	22,500	19,700	(2,800)	-12%	106,300	92,900	(13,400)	-13%
Administrative, Support, and Waste Services	37,059	35,972	(1,087)	-3%	63,800	62,500	(1,300)	-2%	310,100	306,100	(4,000)	-1%
Management of Companies and Enterprises	10,388	10,896	508	5%	14,600	17,800	3,200	22%	83,000	93,900	10,900	13%
Professional and Technical Services	29,813	30,426	613	2%	53,800	52,600	(1,200)	-2%	235,900	224,400	(11,500)	-5%
Finance and Insurance	22,626	22,621	(5)	0%	61,500	59,400	(2,100)	-3%	234,500	242,100	7,600	3%
Other Services	15,965	17,420	1,455	9%	35,300	38,600	3,300	9%	228,100	227,200	(900)	0%
Subtotal	**126,962**	**127,737**	**775**	**1%**	**251,500**	**250,600**	**(900)**	**0%**	**1,197,900**	**1,186,600**	**(11,300)**	**-1%**
Columbus Share of Region	*50%*	*51%*										
Logistics & Utilities												
Wholesale Trade	18,194	17,188	(1,006)	-6%	39,700	37,000	(2,700)	-7%	246,600	231,300	(15,300)	-6%
Transportation, Warehousing, and Utilities	20,435	19,279	(1,156)	-6%	35,500	38,400	2,900	8%	191,700	184,700	(7,000)	-4%
Subtotal	**38,629**	**36,467**	**(2,162)**	**-6%**	**75,200**	**75,400**	**200**	**0%**	**438,300**	**416,000**	**(22,300)**	**-5%**
Columbus Share of Region	*51%*	*48%*										
Total	**462,089**	**459,317**	**(2,772)**	**-1%**	**920,000**	**913,000**	**(7,000)**	**-1%**	**5,542,500**	**5,407,100**	**(135,400)**	**-2%**
Columbus Share of Region	*50%*	*50%*										

Notes:
(a) Sums may not add to totals due to rounding.
(b) City of Columbus data is for 1st Quarter of each year shown.
(c) Region and State data are averages for each year shown.
(d) Columbus' Natural Resources and Mining included in this category.
Sources: Ohio Labor Market Info Classic CES Program, 2005; Bay Area Economics, 2006.

Real Estate Market Overview

The real estate market for commercial property is both an overall indictor of general economic conditions, and a part of the equation when local communities compete for employers. This section profiles current real estate market data and trends for office and industrial space in Columbus and the region.

Office Market Overview

According to published reports by CBRE (national brokerage firm), Columbus's regional office market space inventory totaled nearly 31 million square feet by the end of 2nd Quarter 2006. As shown on Table B-9, just over one-third of this total inventory was located in downtown Columbus, with the balance distributed across other city and suburban submarkets. Two recently developed concentrations of office space located within the City of Columbus (Polaris and Easton) alone account for an additional 10 percent of the region's inventory, bringing the City of Columbus total office space share up to over 47 percent of the metro area. In the suburban markets, Dublin and its surrounding area contained the largest concentration of office space, with more than 5 million square feet, or just over 17 percent of the region's total supply, echoing its employment picture.

The office market in Columbus and the region, as shown in Table B-9, continues to experience relatively high vacancy rates, averaging 19 percent in downtown Columbus, 20 percent in other Columbus submarkets, and just over 22 percent in suburban submarkets. According to published real estate reports and interviews with area brokers, both continued speculative building by developers and downsizing of space use by office tenants contributed to the large inventory of available space.

The 2nd Quarter 2006 office market performance in Columbus was mixed, showing localized strength despite the overall high vacancy rates. For example, Easton, one of the larger metro area office submarkets, had a vacancy rate of 13.1 percent, lower than all but two metro area office submarkets (Reynoldsburg (3.7 percent) and Airport (7.9 percent)) during the 2nd quarter of 2006; this combined with a relatively strong average asking lease rate indicates a strong demand and key competitive advantages for this type of highly amenitized, contemporary office product within city boundaries. In contrast, the East submarket suffered major challenges, with over one-third of its office space inventory standing vacant, suggesting the need for an intensive redevelopment strategy in this area of the City.

Nationally, 2nd Quarter 2006 office vacancy rates were 12.2 percent in downtown/CBD locations and 14.6 percent in suburban locations, indicating that Columbus and its region fared worse than other parts of the U.S. However, it is important to note that the Columbus region's 2nd Quarter 2006 office vacancy rate is nearly two percentage points lower than for the same quarter one year previously, suggesting that the highest levels of vacancy may have peaked.

It should be noted that office space vacancy rates can often overstate actual economic softness and employment loss. There are several trends and counter-trends that converge to create a physical image on the ground of empty space, leading many observers to conclude dramatic economic softness even when actual job counts are flat or increasing. For example, real estate development tends to lag economic slowdowns, so that most regions of the U.S. tend to overbuild office space even as employment and demand for such space may be cycling downward. This lag in continued construction during downturns, adding supply at the time it is least demanded, can be as long as two to three years or more in some regions. Other factors contributing to the perception include job gains occurring in types of spaces other than traditional office buildings (e.g., start ups at place of residence, education and health job growth in other types of settings, etc.), and the relocation of office users within a local market area as new space with better features is constructed and offered to tenants in aging space at the same or similar rental rates (or with rent concessions to lease up new product). Finally, although difficult to document with current data, there has been a long term trend among traditional office employers to shrink the amount of space per employee, associated with rising operating costs, more compact equipment, and the impacts of computer technology on space.

Table B-9: Columbus and Suburban Office Market Trends, 2nd Quarter 2006

Area	Total Inventory (Sq. Ft.)	Percent Of Inventory	Vacant Space (Sq. Ft.)	Vacancy Rate	Avg. Asking Lease Rate (a)
Downtown Columbus					
Class A	4,334,588	14.1%	801,899	18.5%	*$21.40*
Class B	5,252,676	17.1%	1,045,283	19.9%	*$15.36*
Class C	843,430	2.7%	136,636	16.2%	*N/A*
Subtotal	*10,430,694*	*33.9%*	*1,983,817*	*19.0%*	$17.99
Other Columbus					
East	590,276	1.9%	346,492	58.7%	*$11.30*
Airport	258,353	0.8%	20,410	7.9%	*$14.49*
Polaris	2,018,001	6.6%	399,564	19.8%	*$18.19*
Easton	1,251,166	4.1%	163,903	*13.1%*	*$16.25*
Subtotal	*4,117,796*	*13.4%*	*930,369*	*22.6%*	*$16.31*
Total City of Columbus	*14,548,490*	*47.3%*	*2,914,186*	*20.0%*	*$15.31*
Suburban Submarkets					
Hilliard	*830,478*	2.7%	328,039	39.5%	*$15.72*
Westerville	*2,493,871*	8.1%	486,305	19.5%	*$15.87*
Worthington	*4,032,642*	13.1%	1,052,520	26.1%	*$13.41*
Gahanna	*776,175*	2.5%	128,069	16.5%	*$16.06*
Dublin/NW	*5,328,464*	17.3%	1,033,722	19.4%	*$16.15*
Grandview	*769,443*	2.5%	272,383	35.4%	*$18.05*
Bethel Rd	*1,031,671*	3.4%	165,067	16.0%	*$16.72*
Upper Arlington	*749,189*	2.4%	124,365	16.6%	*$19.48*
Reynoldsburg	*183,085*	0.6%	6,774	3.7%	*$11.50*
Subtotal	*16,195,018*	*52.7%*	*3,597,244*	*22.2%*	*$15.91*
Total Metro Columbus	**30,743,508**	**100.0%**	**6,511,430**	**21.2%**	**$15.61**

a) Includes Class A and B space only.

Source: CB Richard Ellis, 2006; BAE, 2006.

With respect to future supply, according to CBRE data for 2nd Quarter 2006, five buildings totaling just under 356,000 square feet are under construction within four metro area office submarkets: Grandview (30,000 square feet), Upper Arlington (68,000 square feet), Westerville (95,931 square feet) and Polaris (161,795 square feet). CBRE reports commitment for only 16,701 square feet of this pipeline space, which will further pressure the inventory as new space is constructed and becomes available.

To augment the data, BAE also interviewed several active office market brokers in the Columbus marketplace. The brokers attributed the relatively high office vacancy rates to visible corporate consolidations over the past three years by companies such as Bank One, Midland Insurance and Nationwide Insurance. Moreover, additions to the inventory were not fully absorbed after the economy slowed in the early part of this decade. Brokers report that business service firms and financial organizations are the most active types of tenants currently seeking space, and most leasing consists of firms relocating around the Columbus region. Easton is considered as the most desirable office submarket within Columbus, based on quality of inventory, close-in amenities such as shopping and dining, and attractive incentive offerings. Other submarkets mentioned as highly desirable based on similar factors included Westerville, New Albany, Dublin, Hilliard and the Arena District.

Brokers noted that typical tenant space requirements have fallen from 20,000 square feet or more five years ago, to smaller amounts of space averaging 10,000 square feet or less today. Brokers also noted that tenant choices between space within Columbus and similar space or land in competing suburban locations were often influenced by available incentives packages. In general, brokers acknowledged that from their point of view, the incentive offerings have improved with respect to Columbus, but that the City could further improve its competitive position by matching competing incentive packages and conducting aggressive outreach. One broker interviewed also suggested that Columbus should focus on its strength in the financial services, professional services, and consulting firms already located in the city. Finally, brokers reported that in general, land values for those developing single user buildings in suburban locations were often valued somewhat higher than similar land within City boundaries, but that again, this was offset by variations in incentive packages.

Industrial Market Overview

The industrial market in Columbus and outlying areas has a vast amount of existing inventory, making the region the 15th largest in the U.S. according to CBRE. Freeway and rail access, currently being expanded further by a $60 million multimodal logistics facility under construction at Rickenbacker International Airport, create a strong competitive advantage in the distribution and logistics portions of this real estate market, despite declining manufacturing employment.

As shown in Table B-10, for 2nd Quarter 2006, CBRE tracked slightly more than 201 million square feet of inventory (covers buildings 10,000 square feet or larger), including roughly 161 million square feet in Columbus and its adjacent suburbs. In contrast to many other regions around the U.S., the central area of Columbus (Downtown market) contains a substantial 40 million square feet of industrial space (20 percent of metro area industrial inventory), and experienced a relatively healthy 7.4 percent vacancy rate during the period shown below. However, low average asking rates suggest this inventory is either underutilized or obsolete space. In contrast, the Northeast industrial market area commands more than double the Downtown industrial market lease rates, and its nearly 14 million square feet of space were also relatively well occupied (second quarter vacancy of just 8.6 percent). The Southeast Columbus industrial market and adjacent locations exhibited the highest vacancy rate, with 7.3 million square feet of its nearly 36 million square foot inventory standing vacant.

Table B-10: Metropolitan Columbus Industrial Market Trends, 3rd Quarter 2005

Area	Total Inventory (Sq. Ft.)	Percent Of Inventory	Vacant Space (Sq. Ft.)	Vacancy Rate	Avg. Asking Lease Rate
Central	40,258,357	25.0%	2,979,218	7.4%	$2.89
Northwest	1,879,601	1.2%	195,479	10.4%	$6.55
Northeast	13,804,969	8.6%	1,145,812	8.3%	$6.06
East	22,403,811	13.9%	3,629,417	16.2%	$3.14
Southeast	35,901,518	22.3%	7,323,910	20.4%	$3.02
Southwest	11,777,850	7.3%	1,542,898	13.1%	$3.34
West	35,020,806	21.7%	6,058,599	17.3%	$2.84
Columbus/Suburban	**161,046,912**	100.0%	**22,875,234**	**14.2%**	**$3.00**
Outlying	40,005,060		2,600,329	6.5%	$3.20
Total	**201,051,972**		**25,475,563**	**10.4%**	**$3.10**

Source: CB Richard Ellis, 2006; BAE, 2006.

To augment the data, BAE interviewed active industrial brokers in the region. Brokers attributed the higher vacancy rates in some areas of the region to several factors, including obsolete product in some locations, speculative building in anticipation of increasing demand in the Southeast/Rickenbacker area, and aggressive incentive policies and recruitment practices among area communities.

Brokers reported that building size requirements differ according to whether the user is a local wholesaler/manufacturer or regional/national third party logistics company. The interviews indicated that local manufactures and wholesalers tended to seek space smaller than 80,000 square feet, while large distributors and third-party logistics companies tend to seek large buildings with 250,000 square feet or more. Access to rail has become more important over the last two years as fuel prices have dramatically increased. Buildings sized from 100,000 to 250,000, are in less demand. Moreover, demand for “flex space,” which typically drives a more light-industrial oriented economy (e.g., contains a mix of both office and storage/assembly spaces), was not considered strong in the Columbus market.

Brokers highlighted the variations in tax abatement policies between Columbus and surrounding communities as contributing to a competitive disadvantage for Columbus, due to the lower amount of abatement offered by Columbus. Moreover, competing cities will allow the abatement on a speculative basis, to assist property owners with vacant structures, whereas Columbus tended to grant abatements only when the tenant was identified. It should be noted that the actual frequency of granting the “speculative” abatement is not known, however.

Summary

In summary, the Columbus economy, as part of the larger region, fared relatively well during the 1990s. Population, households, and jobs for the region grew substantially, outpacing the Cleveland and Cincinnati regions as well as the State of Ohio overall. The City of Columbus added 44,500 households and just over 50,000 jobs during the decade, capturing half of the region's household growth and almost 38 percent of its job growth. This lower rate of job capture relative to Columbus's starting share, meant that by 2000, the City had dropped slightly in its jobs/housing balance, but still maintained a healthy 1.5 jobs per household.

Using another way to measure these trends, if Columbus had maintained its starting (1990) share of the job base in the region, it would have captured an additional almost 28,000 jobs during the decade as part of the region's growth. Instead, a portion of the decade's regional job growth was distributed among surrounding cities and unincorporated areas of the region. This pattern, representing the suburbanization of the region's employment base to an extent, was commonly seen across the U.S. during the same time period. Former bedroom communities with limited numbers of jobs, such as Gahanna, matured and expanded their job base. Overall, from a regional growth and planning perspective, some of these patterns meant that formerly imbalanced communities in terms of jobs/housing improved their balances. Several job-rich cities such as Dublin, while capturing substantial job growth, also grew significantly in housing, leading to a decline in its jobs/housing balance (albeit still a quite strong ratio of jobs to households of 2.8 by the end of the decade).

Since 2000, a detailed analysis of Columbus and regional job growth by industry sector highlights several trends. Columbus experienced a dramatic loss of 8,500 manufacturing jobs in a four year period from 2001 to 2004, a decline echoed regionally, statewide, and nationally to varying degrees. However, job growth in other sectors including Accommodations and Food Services, State Government, Health Care, and to a lesser extent in Educational Services and portions of the Technology and Business Services sectors meant that overall job loss was minimal in the City during the period, a net decline of just 2,800 jobs.

Columbus's economy has long showed strength in these vital sectors, and has competitive advantages including developable land, educated workforce, expanding Fortune 500 companies, and advanced educational institutions conducting R & D.

Columbus's real estate market for office and industrial space suggests a much stronger decline than the job data indicates. These counter-intuitive trends likely reflect a combination of forces, including additions to the pipeline while the economy stalled, relocations within the region (reflected by some of the job data), and shrinking or changing demands for space. The real estate data also suggests portions of Columbus with the highest degree of obsolescence of inability to remain competitive, including the eastern portion of the City for office space, and the "southeast" for industrial space. The emergence of Easton as a strong submarket for office space, however, illustrates the type of space that can meet contemporary needs and compete head-on with suburban communities, despite a location near these declining areas.

Appendix C: Fiscal Implications of Economic Trends

Income Tax Revenues

The City of Columbus, similarly to most other municipalities in Ohio, levies an income tax on the earnings of employees working in Columbus and the profits of businesses located in Columbus. The bulk of this revenue stream is derived from a 2.0 percent tax in workers' earnings (including commissions).

As shown on Table C-1 below, this revenue source comprised more than 54 percent of the City's General Government funding in 2003 (latest data available). Despite small job losses during this period, income tax revenue from 2000 to 20003 increased by 4.1 percent, falling just short of general inflation for the period (4.9 percent for three year period). It is likely that this pattern is due to rising salaries of Columbus's jobs during the same period. Other revenue sources, including investment income subject to general stock and bond market declines at the time, special assessments, and charges for services, declined during the same period. The total of all revenue sources increased 4.1 percent for the three year period.

According to an interview with the Income Tax Division of the City Auditor's Office, income tax revenues for January of 2005 continued to increase, up 14 percent over January 2004. Recently, the City Auditor has requested City Council to raise the existing income tax rate, although no specific percent increase has been proposed. This rate increase would be subject to voter approval.

Table C-1: Source of General Government Revenue 2000 - 2003

(in thousands of dollars)

	2000	2003	2003 Percent Of Total	Change 2000-2003
Income Taxes	$ 420,812	$ 438,993	54.2%	4.1%
Property Taxes	$ 39,049	$ 45,660	5.6%	14.5%
Grants & Subsidies	$ 52,133	$ 79,588	9.8%	34.5%
Investment Earnings	$ 36,241	$ 8,196	1.0%	-342.2%
Special Assessments	$ 179	$ 95	0.0%	-88.4%
Licenses & Permits	$ 18,229	$ 25,209	3.1%	27.7%
Shared Revenues	$ 86,455	$ 81,474	10.1%	-6.1%
Charges for Services	$ 62,201	$ 60,787	7.5%	-2.3%
Fines & Forfeits.	$ 15,196	$ 21,717	2.7%	30.0%
Misc.	$ 45,633	$ 47,545	5.9%	4.0%
Total	$ 776,128	$ 809,264	100.0%	4.1%

Sources: City of Columbus, 2005; BAE 2006.

Both the tax revenue benefits, and conversely, the tax revenue losses to the City of Columbus are impacted by the type of jobs attracted or lost in a fiscal year. For example, if one high wage job is lost but replaced two low wage jobs, the net impact to the City can be limited, even though unemployment may be unchanged and job data appears positive.

To illustrate the impacts of shifts in employment on fiscal revenue as the economy changes and firms start up, close down, or relocate, the job changes by industry sector presented earlier in this report for Columbus for 2001 through 2004 were assigned average wage rates based again on the same data source (which reports total payroll and number of employees). As shown below in Table C-2, these changes to Columbus's economy in the past few years have likely had a substantial impact on income tax revenues, despite being partially offset by wage rate increases. The loss of more than 8,500 manufacturing jobs, which tend to have high average wages, would have resulted in a loss of $8.7 million in tax revenue, based on 2004 rates. Offsetting this loss were lower wage jobs in accommodations and food services, along with a small number of job gains in high wage sectors such as Management of Companies. Clearly, expanding jobs in Finance and Insurance, Professional and Technical Services, and Wholesale Trade would also serve to increase tax revenues.

Table C-2: Estimated Revenue Impact of Job Changes, City of Columbus, 2001 – 2004

(3rd Quarter Job Data)

	Job Change 2001-2004	Avg Wage Per Job, 2004 (a)	Income Tax (Estimated, 2%)	Total Revenue Impact to City
Manufacturing	(8,568)	$50,598	$1,012	($8,670,474)
Arts, Entertainment, and Recreation	487	$18,904	$378	$184,126
Accommodation and Food Services	5,723	$14,390	$288	$1,647,082
Retail Trade	(4,269)	$27,127	$543	($2,316,083)
Federal Government	(141)	$57,885	$1,158	($163,236)
State Government	2,206	$38,956	$779	$1,718,748
Local Government	(2,241)	$43,625	$872	($1,955,253)
Real Estate and Rental and Leasing	425	$37,170	$743	$315,948
Construction, Mining and Natural Resources	(2,217)	$46,956	$939	($2,082,010)
Educational Services	741	$27,802	$556	$412,030
Health Care and Social Assistance	6,478	$35,729	$715	$4,628,995
Information	(709)	$58,351	$1,167	($827,421)
Administrative, Support, and Waste Services	(1,087)	$24,397	$488	($530,399)
Management of Companies and Enterprises	508	$86,244	$1,725	$876,237
Professional and Technical Services	613	$61,586	$1,232	$755,049
Finance and Insurance	(5)	$82,665	$1,653	($8,267)
Other Services	1,455	$29,635	$593	$862,368
Wholesale Trade	(1,006)	$51,592	$1,032	($1,038,032)
Transportation, Warehousing, and Utilities	(1,156)	$46,704	$934	($1,079,804)
Total	**(2,772)**			**($7,270,395)**

a) Avg. wage based on 2004 3rd Q payroll for industry sector.

Source: BAE, 2006.

Income Tax from Jobs by Land Use

Due to the functional relationships between various types of employment-generating land uses, wages paid to employees associated with these land uses, and the importance of the resulting tax revenue which flows to the City of Columbus, analysis for this report prepared an estimate of income tax revenue per acre which flows from prototypical development of different types of commercial real estate (see Table C-3 below).

The following analysis makes several assumptions to approximate prototypical land use development, the number of employees per acre, and resulting income tax revenues from these employees. As shown, intensely developed urban office buildings housing professional services will yield the highest income tax revenue per acre, followed by contemporary suburban office development. Warehousing and retail, which employ few people per acre of land, yield limited tax revenue per acre of land, despite high wages paid to warehousing employees in Columbus.

Table C-3: Prototypical Income Tax Revenue Generated by Land Use, Per Acre

Income Tax Rate @ 2% per Employee

	Sq. Ft. Bldg Per Acre (a)	Employees Per Acre (b)	Avg. Income Per Employee (c)	Income Tax Per Acre
Warehouse	10,890	11	$51,592	$11,237
Manufacturing	8,712	17	$50,598	$17,632
CBD Office	108,900	484	$61,586	$596,156
Contemporary Suburban Office	43,560	174	$58,351	$203,343
Retail	17,424	35	$27,127	$18,906

Assumptions:		b) Sq.ft. bldg	c) Avg. Wage	
a) Floor Area Ratio (bdg space)		per employee	per employee (see Table 11)	
Warehouse	0.25	1,000	$51,592	
Manufacturing	0.20	500	$50,598	
CBD Office	2.50	225	$61,586	professional/tech
Contemporary Suburban Office	1.00	250	$58,351	admin support
Retail	0.40	500	$27,127	retail

This calculus illustrates the challenge for Columbus and other Ohio cities dependent on income taxes generated by employees. The connection between a strong reliance on a certain type of revenue stream by local governments, and the ways that revenue stream are obtained by changing land use patterns, is known in the public finance arena as the “fiscalization of land use.” In other words, this tendency captures the trends in public policy and decision-making, which can influence the way scarce land is used to benefit public tax revenues. It should be noted that in Columbus’s case, the “fiscalization” of employment-generating land uses lines up well with other policy goals to expand employment for residents of the region, goals which bring substantial economic benefit[13].

Land Use Implications: Residential Versus Commercial Land Uses

Another consequence of the fiscalization of employment-generating uses is the consideration of net fiscal impact of each new development project on a city’s local finances. In many Ohio cities, policy-makers have grown increasingly concerned that residential development brings a net fiscal cost to their budgets; meaning that the new project will generate less in local public revenue than the cost to provide it with local municipal services (including schools). Thus, as underutilized or undeveloped parcels are considered for development, and the development community proposes new residential development to meet rising demand for new housing units, elected officials often consider the impacts of rezoning land to residential use on their tax revenues and service costs.

The analysis of a project’s fiscal impacts (e.g., local tax revenues less public services) has been conducted for many projects throughout central Ohio. A summary of several recent studies, and their implications in a general sense to local government finances, is presented in the publication “Understanding the Fiscal Impacts of Land Use in Ohio,” prepared by Randall Gross, Development Economics, for MORPC as part of its Regional Connections planning process. This summary of prior location- and project-specific fiscal impact studies concludes:

> *In some communities, it is apparent that certain types of residential development can generate a fiscal drain on the annual budgets of local governments....Office and industrial uses, on the other hand, often generate significant positive net gain for municipal governments…Most analyses find that income taxes generated by high-wage office employment drastically outweighs any costs for providing local government services. On average, the example fiscal analyses used in preparing this report show that office generates $1.34 per square foot in net fiscal benefits, and industrial generates $0.62 per square foot[14].*

It is very important to note, however, that none of the fiscal impact studies summarized in the report prepared for MORPC analyzed development projects proposed for the City of Columbus. Since each local government has different municipal service cost structures, and each new development project will be unique in its tax revenue generation as well as its demands for services relative to existing

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[13] In contrast, in other states with a different tax structure, local governments depend on other tax revenues such as sales taxes to fund their operations. For example, cities in California strive to attract “big’ box” stores, which can boost local tax revenues manifold relative to the population base in small communities. However, this fiscalization of retail land uses can have the unintended consequence of eliminating other local retailers, strongly impacting “Main Streets.”

[14] Page 2, Executive Summary, “Understanding the Fiscal Impacts of Land Use in Ohio, “MORPC, August 2004.

capacity to serve the project, the true marginal cost of each new development project is unique to its specific characteristics, location, and impact on public services. Thus, while it is important to generally focus on primary local revenue generators such as high-wage jobs, it is key to note that each new development project (or redevelopment of underutilized land parcels) will bring its own unique set of impacts and/or benefits to the City of Columbus's balance of revenues and costs.

Since limited analysis of the fiscal impacts of development projects in Columbus has been conducted, it is recommended that this topic be further analyzed for both specific project proposals and for cumulative impacts to future City municipal budgets.

Appendix D: Current Economic Development Initiatives by Industry Cluster

Both the City of Columbus and the region have recently undertaken a number of studies and initiatives targeting the retention, expansion, and attraction of large or emerging industries. Each of the studies and initiatives takes a slightly different approach to identifying industry clusters, which are "a geographically proximate group of interconnected companies and associated institutions in a particular field, including product producers, service providers, suppliers, universities, and trade associations."[15]

This section blends key study findings with recent actions or initiatives targeting the industry cluster for local economic development.

Logistics and Distribution

The Transportation, Distribution and Logistics cluster (TDL) involves the planning, management, and movement of people, materials, and goods by road, pipeline, air, rail, and water. It also encompasses related professional and technical support services such as transportation infrastructure planning and management, logistics services, mobile equipment and facility maintenance. It encompasses the major career areas of Air/Space Transportation, Rail Transportation, Water Transportation, Road Transportation and Mass Transit Systems.[16]

According to the Bureau of Labor Statistics (BLS), as of 2004, there were approximately 1.9 million persons, nationally, employed within the Trucking Transportation and Warehousing industry. BLS expects that this employment industry segment will grow 14 percent between 2004 and 2014 (slightly less than the expected employment growth rate for all U.S. industries combined during the same period). Growth is expected to track the expanding U.S. economy and also be influenced by manufacturers increased outsourcing of distribution and logistics functions. However, due to technological advances in the logistics segment, employment increases will be modest.

According to an Ohio Department of Development (ODOD) 2005 study, the Columbus MSA Logistics and Distribution cluster employed 21,700 and accounted for $1.7 billion in output during 2003. Other key findings from the ODOD report indicate that the Columbus region has competitive advantages in its central location with access to 50 percent of the U.S. market within 500 miles (36 hours), good rail and vehicular infrastructure, a well educated workforce, relatively low cost real estate, the largest cargo airport in the world, and a strong Logistics program at OSU (ranked 6th nationally). Research capabilities at Battelle for this industry cluster were also noted. The report noted that competitive disadvantages included limited direct air service; lack of freight rail and air hubs, and lack of interdisciplinary university research institute linked to corporate needs.

[15] Source: Harvard Mapping Project
[16] Source: U.S. Bureau of Labor Statistics, 2004

Economic Development Initiatives
One of the largest economic development initiatives in this cluster is the redevelopment and reuse of the former Rickenbacker Air Force base as an intermodal industrial facility.

In addition to a host of existing tenants and users, Rickenbacker recently announced a partnership with Norfolk Southern Railroad to develop the Rickenbacker Intermodal Facility on 300 acres south of the airport. Opening in 2007, this intermodal rail/truck facility will further expand capabilities in this industry cluster. The Airport Authority also formed a partnership with Duke Realty Corporation and Capitol Square, Ltd. to develop the Rickenbacker Global Logistics Park, a 1,200 acre industrial park near the intermodal facility, which will eventually contain up to 20 million square feet of space. The park is envisioned as offering four campuses with access to road, rail and air transportation options, Foreign-Trade Zone status. The project will include up to 30 buildings, and the first building is currently under construction.

The Rickenbacker Intermodal Facility is also unique as the location of the first Joint Economic Development District (JEDD) agreement between the City of Columbus and the North Gate Alliance (Harrison Township, the Villages of Ashville and South Bloomfield, and Pickaway County). In exchange for agreeing to not annex 1,000 acres of land south of Rickenbacker for 50 years, all property taxes will accrue to Pickaway County, and an income tax of 2 percent will be levied on workers at site, with half used to finance infrastructure improvements and the balance to be split by all parties to the agreement. Sewer service to the JEDD will be provided by Columbus, water will be provided by Earnhart Hill, and Alum Creek Dr. will be extended to serve the area.

The newly formed Compete Columbus organization is also focusing on this industry cluster, including facilitation of a working group of business owners and a focus on encouraging research at OSU and Battelle on logistics-sensitive manufacturing processes.

Medical/Life/Bio-Sciences

This group of industries is defined differently in various studies, and crosses a range of companies and functions. Assets such as the OSU Medical School, other innovative hospitals, research at Battelle, and the emergence of Cardinal Health as one of the top corporations in this arena have all created a strong foundation for developing these industry clusters in Columbus and the region.

One of the ways Dr. Porter has characterized this sector in the Monitor Report for Compete Columbus is to highlight Personalized Medicine, which uses new methods of molecular analysis to better manage a patient's disease or predisposition toward a disease. The approach seeks to achieve optimal medical outcomes by helping physicians and patients choose the disease management approaches likely to work best in the context of a patient's genetic and environmental profile. Though sometimes described as a phenomenon of the future, personalized medicine is already having an impact on how patients are treated. Molecular testing is being used to identify those breast cancer and colon cancer patients likely to benefit from new treatments, and newly diagnosed patients with early stage invasive breast cancer can now be tested for the likelihood of recurrence. In another example, a genetic test for patients with an inherited cardiac condition can help their physicians determine which course of hypertension treatment to prescribe in order to avoid serious side effects.

Nationally, the relatively new personalized medicine industry cluster (a subset within the broader biotechnology industry) is comprised of pharmaceutical, biotechnology, diagnostics and information technology companies, along with major academic centers and governmental agencies. According to the Biotechnology Industry Organization (BIO), a Washington, D.C. based industry lobbying group, there were 1,473 biotechnology companies in the United States at the close of 2003, employing slightly more than 198,000 persons. A 2004 report prepared for the BIO by Battelle Technology Practice and SSTI estimated 850,000 persons were employed, nationally, in the more broadly-defined biosciences industry cluster, which includes firms in: agricultural feedstock and chemicals, drugs and pharmaceuticals, medical devices and equipment, and research and testing. The U.S. Bureau of Labor Statistics projects employment growth of 16.7 percent in the biosciences from 2004 to 2014 -- 13 percent greater than the average employment growth for the same period.

Omeris's 2005 "Bioscience Growth Report" found nearly 700 bioscience related entities employing 37,000 persons within the State of Ohio. According to the "Regional Economic Strategy for Greater Columbus," prepared by Collaborative Economics in 2001, metropolitan Columbus employed 15,000 persons (excluding hospital employment) within the Life Sciences cluster and grew at an average annual rate of 4.5 percent during the previous five years, which was 80 percent faster than region's employment growth rate.

Economic Development Initiatives

Research for this study included interviews with several key organizations leading economic development initiatives targeting the biosciences/life sciences industry clusters.

TechColumbus is an umbrella organization created by OSU in 2005 to coordinate several central-Ohio technology-commercialization groups including the Science and Technology Campus Corporation (SciTech), the Business Technology Center (BTC) and the Columbus Technology Council. The Science and Technology Campus Corporation (SciTech), a non-profit organization associated with OSU, oversees the 53-acre SciTech research park located on Kinnear Road on the west campus of OSU. The park was established by OSU for the commercialization of new technologies and to promote research and development with commercial applications. SciTech facilities provide common ground for the interaction of tenant corporations with academic and industrial R & D institutions. According to its Executive Director, TechColumbus has focused on companies which have business applications within the advanced materials, life sciences and electronic sciences fields. SciTech is primarily geared towards helping small, start-up firms and academic researchers with commercialization potential.

Although there is substantial focus on technology transfer, seed funding, and start-up facilities in Columbus, stakeholders interviewed for this report mentioned that actual "deal flow" has been slow, due to a variety of factors. Complex aspects of intellectual property, institutional barriers between OSU and commercial companies, and a lack of entrepreneurial talent in commercialization of technologies were all cited as challenges to be improved.

Another exciting venture currently underway to foster Columbus's bioscience and life science/medical clusters is the 315 Tech Corridor project, which envisions a technology area similar to Route 128 in

Boston or Research Triangle Park in Raleigh-Durham, North Carolina paralleling Highway 315. Currently under study by the planning firm of O'Brien/Atkins, in conjunction with the Tech Corridor Advisory Committee, the Corridor study will catalog physical assets such as hospitals, educational institutions, and private businesses; analyze land uses to identify developable parcels, and recommend coordination of master plans between the major landowners such as OSU, Battelle, and the City of Columbus.

Finally, research for this report included an interview with a representative of Battelle, one of the world's premier R & D institutions. Battelle focuses its core research competencies on technologies where the organization can add value, and that demonstrate significant economic and innovative impacts. Battelle considers its location in Columbus to be a competitive advantage, with access to a diverse technology base, a young and talented workforce of more than 100,000 college students within a 15-mile radius, and a superior quality of life in a low cost-of-living environment.

One of the interesting aspects of Battelle's work is that it creates spin-out companies, but locates these ventures with an "agnostic policy" that does not always favor Columbus or the region. Several spin-out companies created by Battelle's research success in the past few years have located in Boston, Maryland, and the Northwest, due to a variety of factors such as living preferences of the CEO. Spin-out companies that stayed in the Columbus area were retained by their need for proximity to institutional research assets at Battelle, OSU and Children's Hospital. Most recently, Battelle has participated in the creation of the Center for Innovation in Dublin, a contemporary research and business park with connectivity to Dublin's fiber network, and under-construction improved access to U.S. 33 via an improved interchange.

Hospitality, Entertainment, Retail, and Tourism

BLS reports approximately 12.5 million persons were employed within the U.S. Leisure and Hospitality industry cluster at the close of 2004. BLS projects employment growth of 17.7 percent from 2004 to 2014. The Monitor study found that while overall metro area employment grew 27 percent faster than U.S. average employment growth between 1990-2001, the Columbus metropolitan area Leisure and Hospitality cluster grew an impressive 52 percent faster than U.S. average employment growth during the same period. This pattern was confirmed by the more recent employment data profiled previously in this report.

Several other studies have noted the strong presence of retailers in Columbus, including several large national corporations as well as associated "creative" sectors such as advertising and design/marketing. The Monitor report prepared for Compete Columbus calls out the marketing/design/retail subcluster as a targeted group for further economic development.

Economic Development Initiatives

With the redevelopment of the Arena District in downtown Columbus, as well as the continued strength of local performance venues, restaurants, clubs, and the arts, Columbus has emerged as a strong destination for tourism, conventions, meetings, dining, and museums. Recent strategic planning to further enhance downtown Columbus's attraction of spending for retail, tourism, lodging and the arts all serve to differentiate Columbus as the cultural center of the region.

Information/ Professional and Business Services/ Finance & Insurance

These industry clusters have been combined here and in the employment data presented previously because many of the clusters' space needs and location criteria are inter-related. Although maintaining a relatively flat growth pattern in recent years, these sectors form one of the backbones of the Columbus and regional economy, and have created visible shifts in office occupancy throughout the region.

Economic Development Initiatives

The recently completed deal with Grange Insurance Company exemplifies Columbus's retention of a major firm in this industry cluster. The 640-employee Columbus firm was aggressively courted by suburban communities armed with stronger incentive offerings than Columbus. In order to retain Grange, Columbus provided its first ever Large Office Employer Incentive outside of the downtown; this incentive has traditionally been reserved for office employers relocating to or expanding downtown. The incentive program rebates 50 percent of the income taxes to Grange that would otherwise be due to the City of Columbus.

Appendix E: Existing Local Programs & Tools

Local Economic Development Organizations

The City of Columbus has initiated several focused agencies to foster economic development as follows:

- **City of Columbus Downtown Development Office** – Focusing on residential and office development, as well as facilitation of the development process with the private sector, the Downtown Development Office markets the City's downtown development incentives to encourage new downtown development. Incentives marketed include downtown housing property tax abatement, utility tap fee credits, funding for street and sidewalk improvements and the Downtown Office Jobs Credit Incentive program.

- **Downtown Development Corporation** – A private sector organization created to implement the Downtown Business Plan for the City of Columbus, the Downtown Development Corporation provides low-cost, long-term gap financing for downtown residential development projects. Currently, the organization is focusing its efforts in the River South area of downtown, an area consisting of City Center and parcels south of Town Street and west of High Street.

- **Capitol South Community Urban Redevelopment Corporation** – Capitol South is engaged in the redevelopment of downtown Columbus, with ongoing initiative for housing, parking, transportation and business improvements. Capitol South also facilitates development incentives including short-term, low-cost financing for downtown housing projects.

Regional Organizations

In addition, the City benefits from the efforts of several active regional economic development groups, including as follows:

- **Columbus Chamber** – This is the premier chamber of commerce, serving both Columbus and the central Ohio region. With over 2,700 business members, the Chamber manages marketing and assistance programs including the Small Business Development Center.

- **CompeteColumbus** – Recently created, the non-profit CompeteColumbus works regionally to implement an economic development strategy focused on the four industry clusters – logistics, personalized medicine, automotive, and entertainment/ arts / tourism.

- **TechColumbus** -- TechColumbus is a partnership providing the catalyst for technology-based economic development in Central Ohio. TechColumbus encourages and fosters formation and growth of technology-based companies and facilitates effective use of technology to strengthen Central Ohio's economy. The Ohio State University's Science and Technology Campus Corporation (Scitech) is a closely linked partner operating under the TechColumbus umbrella. The Business Technology Center (BTC), a 60,000 square foot state-of-the-art technology business incubator located within the SciTech Campus at OSU.

Economic Development Incentives

Most municipalities in the region offer specific types of real property tax abatements based on certain criteria such as minimum threshold of capital investment made and/or jobs created. Also, it is within the local jurisdiction's discretion to provide incentive applicants with a municipal jobs tax credit award, subject to the Ohio Department of Development first approving a State jobs tax credit award. The following represent development-based incentives currently employed by the City of Columbus:

- **Community Reinvestment Areas** – One of the key development-based programs in the Columbus metropolitan area is the State-authorized Community Reinvestment Areas (CRAs) incentive program. CRAs are areas of land in which property owners can receive tax incentives for investing in real property improvements. The purpose of a CRA is to encourage revitalization of existing real property and the development of new structures in an area where investment has been discouraged. Several metro Columbus area municipalities have long established CRA incentive districts in strategically targeted commercial and industrial areas.

  CRAs apply to existing real property renovation (up to 100 percent real property tax exemption for up to 12 years), as well as new construction of commercial and industrial real property (up to 100 percent real property tax exemption for up to 15 years). In addition, the City of Columbus may, in conjunction with or in-lieu of a real property tax abatement, can offer a municipal jobs tax credit (MJTC); however, such an offer is only permitted if the business applicant has first received an offer of a State jobs tax credit from the State of Ohio's Department of Development. Also, unlike the State or surrounding municipalities, the City of Columbus's jobs tax credit is non-refundable.

  It should be noted that the real estate-based tax incentives in CRAs that were created after July1, 1994 may be limited to 50 percent for commercial/industrial properties due to provisions regarding school tax revenues. Pre-1994 CRA's are an "as of right" incentive, and only required the property owner to meet certain investment thresholds to qualify for the maximum benefit. CRA's created after July 1, 1994 require property owners, in advance of developing or renovating their property, to negotiate the value of the specific tax incentive benefit sought with the local governing body and municipal officials. A CRA created after July 1, 1994 may provide up to a 100 percent, 15-year abatement contingent upon receiving local school district approval in advance of undertaking improvements. Research conducted for this report indicated that surrounding municipalities were able to establish far more pre-1994 CRAs than the City of Columbus, due to their greater number of undeveloped large land tracts. Consequently, these municipalities may have had a material advantage over Columbus when offering land based tax incentives, according to local real estate broker interviews..

- **Enterprise Zones** -- Enterprise Zones (EZs) are areas of land in which property owners can receive tax incentives for investing in real property improvements. The purpose of an EZ is to encourage revitalization of existing commercial/industrial real property and the development of new commercial/industrial structures in an area where investment has been discouraged. Most of Columbus's commercial and industrial areas are within Enterprise Zone boundaries -- Enterprise Zones cover approximately 95 percent of the City of Columbus. To secure benefits, non-retail businesses must concurrently apply to the local jurisdiction for local property tax exemptions and to the State Development Director for state franchise or state income tax incentives.

EZ benefits include up to 75 percent real property tax exemption (up to 65 percent in unincorporated areas) for up to 10 years (or up to 100 percent for 15 years with approval of the affected school district), based upon the magnitude of investment in commercial real property, certain personal property, and job creation (similar criteria to a CRA).

In addition, the City of Columbus may, in conjunction with or in-lieu of a real property tax abatement, offer a municipal jobs tax credit (MJTC) to the business applicant; however, such an offer is only permitted if the business applicant has first received an offer of a State jobs tax credit from the State of Ohio's Department of Development. Also, unlike the State or surrounding municipalities, the City of Columbus's jobs tax credit is non-refundable. Businesses must finalize an agreement with local and state authorities to retain or create employment; establish expand, renovate or occupy a facility in an Enterprise Zone; and invest in new real and/or personal property prior to initiating its project/development.

Location-Specific Incentives

Incentives and initiatives targeted to specific locations are intended to catalyze private investment and generate activity in areas of economic decline or where other existing assets can be leveraged. This strategy has been successfully employed in the City's downtown by the Columbus Downtown Development Corporation and the Science and Technology Park. These incentives include:

- **Downtown Office Incentive** -- The Columbus Downtown Office Incentive Program was designed to help stabilize and strengthen the market of Downtown office space as well as increase employment opportunities in Downtown Columbus by requiring the establishment of new jobs. A company may be eligible to receive an Office Incentive if it relocates from outside Columbus city limits to Downtown Columbus and will employ 10 or more, or if it hires 10 or more new employees at a Downtown location. The Program requires application prior to signing a lease or purchasing a building. The term of the incentive will be two years less than the new lease for a maximum of five years, or five years for owner occupied property. The same term applies to new prospects and existing companies which are expanding if additional office space is leased or purchased.

- **Science and Technology Park Corporation --** The Science and Technology Campus Corporation (SciTech), a not-for-profit university associated research park, oversees the 53-acre SciTech research park located on Kinnear Road on the west campus of OSU. The campus was established by OSU for the commercialization of new technologies and to promote research and development with commercial applications. According to the organization's web site, the Scitech facilities provide common ground for the interaction of the tenant corporations with academic and industrial research and development institutions.

- **Neighborhood Commercial Revitalization Districts** – 15 neighborhood commercial areas surrounding downtown Columbus which are eligible to receive specific technical and financial business assistance from the City. Assistance for individual businesses include help in securing architectural design services and financial incentives for acquisition and exterior rehabilitation of commercial property through the NCR Investment Fund, the NCR Commercial Improvement Loan Fund, the NCR Façade Renovation Fund, and the NCR Storefront Renovation Grant Fund.

Infrastructure/Pre-Development Incentive Programs

Public subsidy of predevelopment activities such as infrastructure improvements, demolition and land assembly is often times the key catalyst for private investment activity. Tax increment financing serves as an important tool for accomplishing the aforementioned activities, as the City's creation of 45 TIF districts in the last five years attests. According to City officials, TIF designations have principally been used for large infrastructure improvement projects such as new roads, sidewalks, water and sewer lines and the creation of urban green space. TIF has been little used, to this point, as a commercial or industrial pre-development tool for land acquisition, site remediation and building demolition or – as permitted within Incentive District TIFs – certain housing renovations.

Tax Increment Financing (Parcel Based and Incentive District)
Tax Increment Financing (TIF) is an economic development mechanism available to local governments in Ohio to finance public infrastructure improvements and, in certain circumstances, residential rehabilitation. A TIF (either Parcel or Incentive District Based) works by locking in the taxable worth of real property at the value it holds at the time the authorizing legislation was approved. Payments derived from the increased assessed value of any improvement to real property beyond that amount are directed towards a separate fund to finance the construction of public infrastructure defined within the TIF legislation. Local governments may authorize TIFs to fund a number of infrastructure needs including public roads and highways, water and sewer lines, remediation, land acquisition, demolition, the provision of gas, electric, and communications service facilities, and the enhancement of public waterways (note – public infrastructure does not include police or fire equipment). The value of real property improvements are exempted from taxes through local TIF authorizing legislation enacted by the municipality, township, or county. A taxpayer whose operations are located within a TIF continues to make payments to the jurisdiction in an amount equal to the real property tax liability that otherwise would have been due had the property not been exempted. These payments in lieu of taxes, or Service Payments, are collected by the county treasurer in the same manner as real property taxes, but are deposited into separate public improvement tax increment equivalent funds. According to Columbus' Office of Development, as of the beginning of 2006, there were 45 existing TIF districts within the City of Columbus.

- **Parcel Based TIF --** A parcel based TIF is legislatively created upon a declaration by a municipality, township, or county that private improvements to one or more parcels of real property within their respective jurisdictions serve a public purpose. Private improvements may include the construction, expansion, and demolition of buildings, remediation, or other forms of site development. Residential projects are generally not eligible for TIF unless located within a blighted area of an impacted city. A private improvement under construction that has not yet been assessed for the purposes of real property taxation may be eligible.

A local political jurisdiction may exempt from real property taxes the value of private improvements up to 75 percent for a term of up to 10 years. Local governmental bodies seeking to offer greater amounts of assistance under the TIF must first obtain the concurrence of the affected board(s) of education. With the concurrence of its school board(s), a local political jurisdiction may exempt the value of improvements up to 100 percent for a term of up to 30 years. The TIF authorizing legislation enacted by the municipality, township, or county must specify the rate and term of real property tax exemptions.

In those municipalities that levy their own income taxes, if the respective project receiving assistance generates annual payroll for new employees of $1,000,000 or more, legislatively authorized TIFs must be accompanied by revenue sharing agreements with the affected city, village, and/or exempted school board(s). If a municipality and its above mentioned school board(s) fail to execute an acceptable compensation agreement within six months following the passage of the TIF legislation, State law mandates that the municipal income tax revenues generated from the new employees be divided on a 50/50 basis between the two parties. This arrangement must occur in each year that the TIF is in effect and the statutory payroll threshold is satisfied. Given the requirement that income tax revenues are shared with the affected board(s) of education, municipalities must collect employment and payroll information regarding the project prior to enacting the TIF legislation and annually monitor such project data.

- **Incentive District TIF** -- An Incentive District TIF is defined as (a) an aggregation of individual parcels of real property comprising an area no larger than 300 contiguous acres and (b) exhibits one or more characteristics of economic distress, as listed in § 5709.40(A)(5) of the O.R.C. Note that an Incentive District TIF may not include any parcel that is currently included in a TIF (whether parcel or another Incentive District TIF). Municipalities, townships, or counties may establish these Incentive Districts. The Service Payments collected through an Incentive District TIF can be used to fund public infrastructure improvements anywhere within the district, even if the public infrastructure does not directly benefit every parcel within the district.

  Local governments may authorize Incentive District TIFs to fund a number of public infrastructure needs including public roads and highways, water and sewer lines, remediation, land acquisition, demolition, the provision of gas, electric, and communications service facilities, and the enhancement of public waterways (note: public infrastructure does not include police or fire equipment). Along with public infrastructure improvements previously noted, Service Payments generated from private improvements in an Incentive District TIF may be used to fund residential housing renovation projects as long as the TIF includes a public infrastructure component. Note that, while this Incentive District TIF provision previously had a sunset date of June 30, 2007, Amended Substitute House Bill 66 (passed June 2005) eliminated the sunset date.

  For Incentive District TIFs created after January 1, 2006, certain thresholds must be met in order for the local jurisdiction (municipality, township, or county) to enter into this type of TIF. For any municipality, township, or county with a population of 25,000 or more (by the most recent federal census) considering creating an Incentive District TIF, the proposed Incentive District

TIF cannot be established if, by doing so, more than 25 percent of the jurisdiction's total taxable value would be subject to an exemption due to an Incentive District(s). Therefore, after January 1, 2006, these communities (population of at least 25,000) will have to: 1) determine how must of its existing taxable value is subject to an Incentive District TIF (this value will include Incentive District TIFs created prior to January 1, 2006), 2) determine the taxable value subject to the exemption under the new Incentive District TIF, and 3) add those two values together. If the sum equals more than 25 percent of the jurisdiction's total taxable value, the jurisdiction cannot create the proposed Incentive District TIF. Note that these taxable value measurements must be taken as of the first day of January of the year in which the proposed ordinance would take effect.[17]

- **Joint Economic Development Districts --** A State enabled program allowing chartered counties, municipalities and townships to cooperate in an effort to foster development activities without modifications to existing jurisdictional boundaries. Joint Economic Development Districts (JEDDs) cannot contain residential dwellings and there exists a three year moratorium on annexation of property within the unincorporated area of the JEDD. The minimum period required by state statute to create a JEDD is 165 days (inclusive of public hearings and administrative reviews). The JEDD's primary benefit is to allow incorporated jurisdictions (e.g., the City of Columbus) to enter into a formal agreement with a neighboring unincorporated municipality or township to supply necessary infrastructure (e.g., water, sewer, etc.) within these outside communities in order to facilitate commercial and industrial development within a targeted area. In turn, a percentage of the new incremental tax revenue stream (income taxes) is pledged to the incorporated community in order to service the debt and fees associated with the new infrastructure investment. JEDD's have a sunset period (20 to 25 years) after which time the revenues from the development fostered by the JEDD sponsored infrastructure is retained in part or whole by the incorporated municipality.

  As of December 2005, the City of Columbus, Harrison Township and Pickaway County entered into a formal JEDD agreement (the first for the City of Columbus) intended to further the development of the Advanced Logistics Initiative (ALI) – a master-planned complex within Rickenbacker Airport offering rail, air, and truck transportation; workforce training; and education and research facilities to develop the latest innovations for logistics management. The ALI is expected to generate more than 69,000 jobs and $9 billion in new capital investment over the next 30 years. The City of Columbus is exploring several additional JEDD agreements with neighboring jurisdictions.

- **Cooperative Economic Development Agreements** -- Cooperative Economic Development Agreements (CEDAs) permit one or several local jurisdictions (e.g., cities or townships) to create agreements to conduct joint economic development by funding services or capital

[17] Originating with Am. Sub. HB 66, if an Incentive District TIF created on or after January 1, 2006 proposes an exemption greater than 75 percent and/or a term in excess of 10 years, the local jurisdiction enacting the Incentive District TIF must receive approval by other affected governmental entities prior to enacting its legislation. Municipalities and townships creating a district above these thresholds must receive approval from the Board of County Commissioners, and counties creating a district above these thresholds must receive approval from the Municipal Council (or appropriate municipal legislative body) or Township Trustees.

improvements and structuring corresponding fee payments or public revenue sharing.

Workforce Development

Workforce development and employment assistance services are provided on behalf of the City of Columbus by Franklin County the Columbus School District, and the State, as follows:

- **Central Ohio Workforce Investment Board** – Provides a variety of services targeted to employers and those seeking employment, including customized job training, on-the-job training, employee screening and recruitment, job search assistance, aptitude assessment, skill level assessment and career planning.

- **Franklin County Job and Career Services Program** -- The Job and Career Services Program provides direct and indirect employment and training services to all eligible customers in order for them to attain and maintain gainful employment and self-sufficiency. Services include but are not limited to: On-site job fairs, job search assistance, resume writing assistance, interview preparation assistance, job referrals, employment needs assessment, eligibility screening and determination, vocational evaluation, individualized employment plan development, job readiness training, entry level job skill training, work experience training, and job coaching.

- **Columbus School District Business and Industry Customized Training** – Provides customized training for area businesses, GED and ESOL employee assistance, paraprofessional assessment assistance, and a manufacturing production certificate program.

- **Columbus School District Workforce Education Courses** -- Workforce Education Courses are designed to prepare class participants for a specific field of work. Classes are generally hands-on with extensive lab experiences. The three main areas of training covered by the program include technology, healthcare and trades and industry.

- **Ohio Investment in Training Program** -- The Ohio Investment Training Program (OITP) provides financial assistance and technical resources for customized training involving employees of new and expanding Ohio businesses. OITP provides up to 50 percent reimbursement to fund instructional costs, materials and training-related activities. There is an emphasis on manufacturing and selected employment sectors that have significant training and capital investment related to creating and retaining jobs.

- **Third Frontier** -- The Third Frontier Project, announced by Governor Taft in January 2002, is Ohio's largest commitment ever to expanding the state's high-tech research capabilities and promoting start-up companies to build high-wage jobs for generations to come. The goal of the Third Frontier Project is to make Ohio a leader in high-tech, high-paying jobs by committing $500 million over the next 10 years through the Technology Action Fund and the Biomedical Research and Technology Transfer Fund. The Project has initiated a $500 million bond program to provide much-needed resources to recruit world-class researchers and bring state-of-the-art products to market, and is creating a $100 million Innovation Ohio Fund to help finance targeted industries with high-growth, high-wage potential.